FOREIGN
BROADCAST
INFORMATION
SERVICE

Daily Report

East Europe

FBIS-EEU-93-080
Wednesday
28 April 1993

Daily Report
East Europe

FBIS-EEU-93-080 *28 April 1993*

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTER-EUROPEAN AFFAIRS

Poland Approves EC Proposals on Meat Imports *[PAP]* 1
Czech Republic Accepts Proposals *[CTK]* 1
Hungary Accepts Proposals *[Budapest Radio]* 1
CSCE Considers Sanctions Against Croatia *[TANJUG]* 1
Czech Finance Minister Comments on EBRD *[CTK]* 2
Council of Europe Officials Meet in Bucharest *[ROMPRES]* 2

ALBANIA

Murders by Yugoslav Border Forces Protested *[Tirana Radio]* 3
Socialist Party Delegation Visits China *[ZERI I POPULLIT 25 Apr]* 3
Teliti Meets With Kosovo Education Minister *[ATA]* 4
Free Private Owners Association Holds Rally *[Tirana Radio]* 4

BULGARIA

Berov Wants Common Stand by Countries Hit by Sanctions *[BTA]* 5
Measures To Help Defense Industry Discussed *[BTA]* 5
Cabinet Adopts Plans for Free Trade Zones *[BTA]* 5
European Parliament Votes on Cooperation *[BTA]* 6
Battleship Fleet Pays Five-Day Visit to Turkey *[BTA]* 6
Suicide of President Zhelev's Daughter Reported *[BTA]* 6

CZECH REPUBLIC

'More Emphatic Move' by UN Not Opposed *[CTK]* 7
Klaus Opposes Radical Solution to FRY Crisis *[CTK]* 7
Havel Meets With German Businessmen *[CTK]* 7
Dlouhy Assesses Economic Performance in Jan-Feb *[CTK]* 8
Compensation Recommended for Resettlement *[RUDE PRAVO 22 Apr]* 8
Klaus Attends Economic Forum in Vienna *[CTK]* 9
Minister Dyba Holds Economic Talks in Japan *[CTK]* 9
Zieleniec Interviewed on Current Issues *[RUDE PRAVO 21 Apr]* 9
Coalition Agrees To Continue Property Talks *[CTK]* 12
Experts Unveil Proposed Anti-Drug Program *[MLADA FRONTA DNES 22 Apr]* 12
Location Approved for Nuclear Waste Storage *[CESKY DENIK 22 Apr]* 13
Press Views Impact of Bankruptcy Law *[HOSPODARSKE NOVINY 22 Apr]* 13
Officials Deny Database Leaked to Kovac, Meciar *[MLADA FRONTA DNES 23 Apr]* 14

SLOVAKIA

Kovac Backs UN Moves in Bosnia-Herzegovina *[CTK]* 15
Government Decides Against More Troops To Former FRY *[NARODNA OBRODA 21 Apr]* 15
Meciar Says Czechs Count on Fall of Government *[CTK]* 15
Slovak, Hungarian Armies Seek Closer Ties *[CTK]* 16
HZDS Group Reelects Laluha as Chairman *[CTK]* 16
Commentary Examines SIS Director's Past *[TELEGRAF 23 Apr]* 16

HUNGARY

Slovak Planes Violate Hungarian Airspace *[Budapest Radio]* 18
Fur Interviewed on MDF Concerns *[MAGYAR HIRLAP 24 Apr]* 18
FRY Sanctions Cause State Railway Losses *[MTI]* 19
Military Industry To Be Privatized *[MTI]* 19
Antall Addresses MDF Leaders *[MTI]* 19
1993-1994 Planned Budget Deficit Figures *[NEPSZABADSAG 27 Apr]* 20
Government Supports Ethnic Hungarians in Croatia *[MTI]* 20

POLAND

Walesa, Latvia's Godmanis Discuss Cooperation *[PAP]* 21
Cabinet Satisfied With Yeltsin Victory *[Warsaw Radio]* 21
Walesa Supports Referendum on Privatization *[PAP]* 21
Goryszewski Reports on Southeast Asia Tour *[PAP]* 22
Commission Urges Property Rights Referendum *[PAP]* 22
Jaruzelski Charged With Suppressing 1970 Riots *[PAP]* 22

ROMANIA

Iliescu Sends 'Warmest' Congratulations to Yeltsin *[Bucharest Radio]* 23
Iliescu Receives Council of Europe Delegation *[ROMPRES]* 23
Gherman Opens Symposium on Social Democracy *[ROMPRES]* 23
Defense Ministry To Send Field Hospital to Somalia *[EVENIMENTUL ZILEI 22 Apr]* 23

BOSNIA-HERZEGOVINA

Serbs Threaten To Attack UK Troops if NATO Strikes *[London PRESS ASSOCIATION]* 24
Negotiating Process Expected To Continue *[TANJUG]* 24
Motives, Consequences of Presidents' Letter Viewed *[BORBA 27 Apr]* 25
Bosnian Croats Reject Further Concessions *[Zagreb VECERNJI LIST 20 Apr]* 25
Karadzic Blames U.S. for Continuing War *[Copenhagen BERLINGSKE TIDENDE SONDAG 25 Apr]* . 26
UN Relief Convoy Shelled, Drivers Wounded *[AFP]* 27
Bosnian Serb Leader Views Political Options *[BORBA 23 Apr]* 27
Serb Army Protests VOA 'Tendentious' Reporting *[TANJUG]* 29
Croats Expelled From Banja Luka Region *[Zagreb Radio]* 30
Muslims Attack Busovaca Area; HVO Responds *[Zagreb Radio]* 30
Muslims Attack Croatian Village Near Konjic *[Zagreb Radio]* 30
HVO, 'Chetniks' Reportedly Cooperating in Konjic *[Sarajevo Radio]* 30
Muslim Attack on Bosnian Serbs in Foca Area *[TANJUG]* 31
Failure of 'Muslim' Attack on Doboj Reported *[Belgrade Radio]* 31
Serbs Launch 'Massive' Attacks on Muslims *[AFP]* 31
More on Serbian Attacks on Muslims *[AFP]* 32
Shelling of Olovo Reportedly Resumed *[Sarajevo Radio]* 32
'Bloody Clashes' Reported at Brcko *[Sarajevo Radio]* 32
'Over 2,500 Shells' Land on Gradacac; Brcko Attacked *[Sarajevo Radio]* 32
Radio Reports Tank Attacks on Gradacac *[Sarajevo Radio]* 33
Fighting in Central Bosnia; Bihac Region Quiet *[AFP]* 33
Bihac Area Attacked From UN-Protected Area *[TANJUG]* 34
French Colonel Says Bihac Fighting 'Localized' *[Paris Radio]* 34
French Blue Berets Will Attempt To Reach Bihac *[Paris TV]* 35
Army Chief Sets Date for Srebrenica Demilitarization *[TANJUG]* 35
Canadian Reinforcements on Way to Srebrenica *[AFP]* 35
Serbs Permit Restoration of Srebrenica Water Supply *[TANJUG]* 36

CROATIA

Fierce Clashes Reported in Serb Krajina *[TANJUG]* 37
Negotiations on Krajina To Resume 30 Apr *[TANJUG]* 37
Assessment of Decision of Bosnian Serbs *[VJESNIK 27 Apr]* 37

'Assembly-Line' Production of Basic Weapons *[TANJUG]* 38
Ruling Party Statement Urges Discipline, Cohesion *[Zagreb Radio]* 38
Serbs Hijack Aid Bound for Muslims in Bihac *[AFP]* 38
Valentic Wins Chamber of Counties Confidence Vote *[Zagreb Radio]* 38
Conflicts of Croatian Christian Democrats *[VJESNIK 5 Apr]* 39
Christian Democrats Distribute Bread in Zagreb *[VJESNIK 5 Apr]* 40
IDS President on Istria Regional Independence *[DANAS 2 Apr]* 40

SLOVENIA

Negative Business Results for 1992 *[DELO 3 Apr]* 42

YUGOSLAVIA

Federal

Report on Effects of 'Harsher' Sanctions *[Belgrade Radio]* 44
Tougher UN Sanctions Take Effect *[TANJUG]* 44
Prime Ministers Discuss Measures to Counter Blockade *[TANJUG]* 45
Leaders Say Sanctions Serve Interests of Great Powers *[TANJUG]* 45
Party Calls on Presidents to Explain Decision *[TANJUG]* 45
Cosic Hoping Bosnian Serbs Will Accept Vance Plan *[Belgrade Radio]* 46
Cosic Calls for International Summit on Bosnia *[AFP]* 46
Cosic Says Yugoslavia NATO 'Concentration Camp' *[Belgrade Radio]* 46
Cosic Discusses Krajina With Wahlgren, Thornberry *[Belgrade Radio]* 47
Assemblymen View Proposal on Cosic's Removal *[BORBA 17-19 Apr]* 47
Unification of Serbian Republics Discussed *[BORBA 23 Apr]* 50
Status of Investigation of Ministerial Affair *[NIN 16 Apr]* 51
Correction to Albanians Killed in Border Incidents 53

Serbia

Assembly Endorses Presidents' Letter to Bosnian Serbs *[Belgrade Radio]* 53
Draskovic: Bosnian Serbs Should Have Signed Plan *[Belgrade Radio]* 53
Milosevic Receives Wahlgren, Thornberry *[TANJUG]* 54
Parties Say Sanctions May 'Strengthen Regime' *[TANJUG]* 54
Niksic Iron Works Closed Due to Sanctions *[TANJUG]* 54
Status of Dafiment Banka Investment in Simpo *[POLITIKA 2 Apr]* 54
Drastic Transportation Reductions in Serbia *[POLITIKA 2 Apr]* 55
Karic Company Director on Secret of Success *[POLITIKA 3 Apr]* 57

Macedonia

Republic Expects Sanctions To Damage Economy *[NEDELJNA BORBA 24-25 Apr]* 59
Efforts To Comply With Sanctions Detailed *[TANJUG]* 60
Bulgarian Consul Protests Press Release *[BTA]* 60

Montenegro

Assembly of 'Serbian Nation' To Be Held 2 May *[TANJUG]* 61
Status of Montenegrins in Yugoslav Army *[DELO 3 Apr]* 61

Poland Approves EC Proposals on Meat Imports

LD2704214893 Warsaw PAP in English 2101 GMT 27 Apr 93

[Text] Brussels, April 27—The Polish Mission at the European Communities (EC) on Tuesday responded to a letter by the Commission of the European Communities in which it had laid down the terms for lifting a ban on importing animals, meat and dairy products, allegedly infected with the foot and mouth disease, from eighteen states of central and eastern Europe.

Poland approved proposals by the Commission to organize a system of veterinary certificates and certificates of origin so that it would be more difficult to forge them but did not give guarantees that it would subject all animals for export to the EC to a 15-day quarantine. Poland stressed that it would treat imports from the EC in the same way that the twelve are treating exports from Poland and that it was ready for further talks.

A meeting of the Veterinary Committee of the EC Commission will be held in Brussels on Wednesday to recommend further steps to the commission whether, when and on what terms to lift the ban on imports from individual countries of central and eastern Europe.

Czech Republic Accepts Proposals

LD2704181693 Prague CTK in English 1708 GMT 27 Apr 93

[By unidentified CTK correspondent]

[Text] Brussels April 27 (CTK)—The Czech Republic has accepted the terms of the European Community (EC) for the resumption of meat, livestock and dairy products exports to the EC member states, says a letter passed by the Czech standing mission at the EC to the Brussels executive today.

The EC Commission imposed an embargo on meat imports from central and eastern European countries on April 8 in connection with the existence of foot-and-mouth disease in Italy, believed to be introduced there from that region. The embargo was to be in force until May 7.

Last week, the EC Commission sent to the 18 central and eastern European countries affected by the embargo a draft of terms for the resumption of meat imports to the EC.

They include a 15-day quarantine for all live animals, compulsory blood tests, special digital codes to be used on veterinary certificates, and the duty to notify border crossings and the veterinary bodies of the country of destination of all supplies not later than 48 hours beforehand.

In its reply today, the Czech republic stressed again that foot-and-mouth disease has not occurred on its territory since 1974. In 1991 the country accepted the EC terms for joint effort against the contagion and stopped vaccinating animals against the disease.

Prague thinks that the implementation of the quarantine will be very demanding especially in young animals and that the new terms will certainly curtail trade.

Slovakia has also agreed with the EC terms, according to information available in Brussels today. Hungary has also probably accepted them, but Poland allegedly disagrees with the quarantine regulations for live animals.

The EC Commission will study the central and eastern European countries' reaction to the import terms on Wednesday, CTK learnt from the commission's spokesman today.

The new system of imports of meat, livestock and dairy products could take effect as early as the weekend, the spokesman said.

Hungary Accepts Proposals

LD2704181893 Budapest Kossuth Radio Network in Hungarian 1600 GMT 27 Apr 93

[Excerpts] A few minutes ago the government issued a statement about the Hungarian response to the EC's conditions for lifting the meat export ban. Government spokeswoman Judit Juhasz is on the line:

[Juhasz] [passage omitted] Perhaps a very important point to highlight from this new statement is the following: There is a need for further immediate consultations with regard to the stricter measures connected with the export of livestock. And another thing that is also very important is that a few minutes ago the government made the decision—and we are now making it public in this communique—that it does not reject the system of conditions connected with the export of livestock, either.

At the same time, naturally, the government emphatically stresses that we will continue to maintain all our stands on the legal and economic judgement of the matter. By virtue of this, as well as in regard to its eventual export curbing effect, Hungary will only implement the new system in question in anticipation of the speedy ending of the restrictions, and then only temporarily. The restrictions will have to be abolished as soon as possible with immediate effect. [sentence as heard]

CSCE Considers Sanctions Against Croatia

LD2704174693 Belgrade TANJUG in English 1656 GMT 27 Apr 93

[Text] Prague, April 27 (TANJUG)—The Senior Officials Committee of the Conference on Security and Cooperation in Europe (CSCE) opened its session on Tuesday with a demand that sanctions be imposed on the former Yugoslav republic of Croatia and on the Bosnian Croats and Moslems.

The demand was prompted by a report on the state of human rights and activities by the Croat and Moslem

authorities in the former Yugoslav republic of Bosnia-Herzegovina, which are contrary to the principles of CSCE's humane dimension.

Open clashes between Bosnian Croats and Moslems, who until recently were nominal allies in the one-year-long war against local Serbs, began early this year, after the announcement of the Vance-Owen maps dividing Bosnia into ten provinces. The clashes, fought for domination over areas with mixed population, escalated in the past twenty days, with both sides committing atrocities against civilian population. Tens of thousands of Croatia's regular troops are involved in the clashes in Bosnia-Herzegovina.

Circles of the CSCE delegations said the meeting, which is devoted to the situation in the former Yugoslavia and opened on Monday, blamed Serbia and the Serbs as the most responsible, but added that the Croats and Moslems 'are right behind.'

The Croat and Moslem delegations at the session tried to promote their 'peace-oriented attitude' in the Bosnian war, by distributing copies of the ceasefire agreement signed by Bosnian Moslem and Croat leaders Alija Izetbegovic and Mate Boban, as well as other propaganda material, but without success.

The committee is simultaneously holding consultations on the former Yugoslav republic of Macedonia's application for the CSCE membership, which was first time formally put on the agenda.

The CSCE has so far rejected Macedonia's applications with an explanation that 'no consensus' can be reached, although it never discussed the application. Circles of the CSCE delegations believe the current consultations on the issue indicate a realistic possibility of the former Yugoslav republic of Macedonia becoming a CSCE member. However, they said, a formal decision would not be adopted before Wednesday when the CSCE meeting is to close.

Czech Finance Minister Comments on EBRD

LD2704173093 Prague CTK in English 1533 GMT 27 Apr 93

[Text] London April 27 (CTK correspondent)—The demand that the European Bank for Reconstruction and Development (EBRD) should take more risks and invest in the private sector in the Czech Republic is supported by several more EBRD governors, Czech finance minister told CTK today.

Kocarnik met with British Chancellor of the Exchequer Norman Lamont and German Finance Minister Theo Waigel today.

Following a number of meetings with his foreign counterparts and bankers, Kocarnik is convinced that financial circles trust the Czech Republic and appreciate the results it achieved in the implementation of economic reforms.

Kocarnik admitted that the West currently preferred Russia as a target of its financial assistance. It is understandable because Russia represents a strong economic potential and a large market. Morever, stability in Russia is crucial for the situation in Europe, said Kocarnik.

Special financial funds of assistance should be created for Russia. The funds would cover special demands for foreign capital necessitated by economic transformation, Kocarnik said.

Council of Europe Officials Meet in Bucharest

AU2604175593 Bucharest ROMPRES in English 1236 GMT 26 Apr 93

[Text] Bucharest ROMPRES, 26/4/1993—A meeting of the Legal and Human Rights Commission of the Council of Europe's Parliamentary Assembly started in Bucharest, on April 26, at the Romanian Senate House. It will last for three days.

The commission had separate meetings in the morning with the Bucharest ambassadors of the Council of Europe member-states and with the leaders of the parliamentary groups of the Senate and Chamber of Deputies.

Murders by Yugoslav Border Forces Protested

AU2704211393 Tirana Radio Tirana Network in Albanian 2000 GMT 27 Apr 93

[Statement issued by the Foreign Ministry in Tirana on 27 April]

[Text] At approximately 2130 [1930 GMT] on 25 April 1993, near pyramid D-11 in the sector of the Morine-Kukes border post, and at approximately 300 meters into Yugoslav territory, Yugoslav border forces opened fire on and killed the following Albanian citizens: Behar Adem Hafizi, 23 years old, resident in Bardhok village in Kukes; Ethem (?Tope) Syla, 24; Mersin Hysen Syla, 24; Hysen Asllan Syla, 31; and Mensur Skender Syla, 17, resident of Morine village in Kukes.

At approximately 2030 on the same day in the area of pyramid C-2/10 in the sector of the Padesh-Tropoje border post, Yugoslav border patrols fired at two Albanian citizens—Fatmir Dyrmishi, 18; and Astrit Dyrmishi, 20, both residents in Padesh village of Tropoje—who were approximately 70 meters into Yugoslav territory. Astrit Dyrmishi was shot dead, whereas Fatmir Dyrmishi was apprehended by the Yugoslav border authorities.

As seen by the experts, we have to deal with murders committed in a barbaric unjustifiable way under any circumstances. An inspection of the scene concluded that it was entirely possible to avoid these massacres because the victims at the Morine border point were apprehended when they were shot by the Yugoslav border forces at a distance of eight to nine meters. The position of the bodies—lying side by side—with no sign of any bullets in both trees located on both sides where the victims were found, and the position of the bullets in their bodies show that the murder was committed to increase tension in the region. The murder of our national Astrit Dyrmishi was committed in the same way. It is worth mentioning that all the victims were entirely unarmed.

These very serious acts are the latest in a series of acts committed against Albanian citizens and violate the most elementary human norms sanctioned in international documents and acts. These crimes committed in the series of continuous provocations and the brutal behavior of the Serbian authorities against Albanian citizens in general and those who live in their territories in Kosovo and in Montenegro particularly are further heightening tension in the border region between the two countries and in the Balkans. Our concern over these tragic events becomes much greater if we consider the large concentration of Serbian troops in the border regions and especially the inclusion of paramilitary forces to guard the border with Albania. After this series of murders, it is no longer a question of sporadic border incidents but of certain provocative acts that are aimed at something dangerous.

The Foreign Ministry of the Republic of Albania strongly protests against these monstrous crimes and reiterates its demand to the competent Belgrade organs to take all measures to prevent such inhuman acts.

Socialist Party Delegation Visits China

AU2704073993 Tirana ZERI I POPULLIT in Albanian 25 Apr 93 p 1

[Statement by the Socialist Party's Press and Information Office; place and date not given: "Socialist Party Delegation Headed by Fatos Nano Successfully Concludes its visit to China and Returns Home"]

[Text] As reported, a delegation headed by Socialist Party [PSSh] Chairman Fatos Nano recently visited China at the invitation of the Chinese Association for International Understanding.

This association was founded in 1981 and is led by distinguished personalities in organizations, political parties, and other leading institutions in China, such as the Permanent Committee of the People's National Assembly, the Academy of Sciences, the Writers Association, etc. Its purpose is to promote international awareness of China's new realities, its vigorous and successful socio-economic reforms, and its opening to the world in the last 15 years, which have stimulated China's friendship and relationships with many countries in Europe, America, Asia, etc.

The delegation met and held talks with Professor Shi Zhongben [Chinese names as published], the association's chairman, and other high-level officials of the association. At the meetings, information and opinions were exchanged about the association's work, the relations between the Chinese and other peoples, and fields of bilateral and mutually beneficial cooperation.

The PSSh delegation expressed its readiness and need to develop contacts between the organizations, parties, associations, and institutions of China and Albania, to the benefit of the friendship between our two peoples and countries. They discussed the political situation in Albania and the critical situation in the Balkan region and stressed the importance of the constructive and peaceful stand of China as a permanent member of the UN Security Council toward the creation of a new international order after the end of the Cold War.

The delegation was received at the Chinese People's National Assembly by Zu Liang, chairman of the Permanent Foreign Committee. Those present at this important meeting expressed a common desire to develop bilateral relations at parliamentary level in order to revive cooperation and friendship between our two peoples under new conditions. The Chinese official described the most recent session of the People's National Assembly and explained the importance of the decisions made for the second phase of the development of the reforms of the socialist market economy and for cooperation with foreign capital in the last decade of the

century in China. He emphasized that stability and dynamic development of the Asian-Pacific region is necessary to realize China's objective of becoming a developed country in the near future.

During their stay in China, the PSSh delegates held important meetings with representative personalities of various Chinese institutions. They were received at the Foreign Ministry, while Zhang Xiangshan, deputy chairman of the Chinese Association for International Understanding, hosted a special reception in their honor.

One important part of the program was a visit to the free economic zone of Zhen Zhen, where the implementation of reform and cooperation with foreign capital have yielded visible results, and where experience has been gained for spreading the socialist market economy throughout the country. At meetings with personalities and managers of institutions and firms in the city and during its visits to enterprises and factories, the delegation became aware of the rapid rate of development of this area, ways of introducing the market economy and attracting foreign capital, up-to-date legislation, the social welfare of working people and the growth of their prosperity, and opportunities for developing trade between associations of Chinese and Albanian traders. China is perfectly ready for this.

The PSSh delegates were very warmly welcomed throughout their visit to China. The meetings and talks led to mutual awareness of the realities and new conditions in both countries and created a solid basis for the development of relations in different fields of mutual interest.

The PSSh delegation returned home after a very successful visit to China.

It was met at Rinas Airport by Dr Servet Pellumbi, PSSh deputy chairman; Bashkim Zeneli, PSSh secretary for foreign relations; Leontiev Cuci and Anastas Angjeli, deputies and members of the PSSh General Management Committee; and others. Tao Miaofa, charge d'affaires of the PRC Embassy in Albania, was also present.

Teliti Meets With Kosovo Education Minister

AU2704070493 Tirana ATA in English 1023 GMT 26 Apr 93

[Text] Tirana, April 26 (ATA)—The Albanian Minister of Education Xhezair Teliti met with a delegation of the Ministry of Education of Kosova headed by the Minister Dr. Muhamet Bicaj, which was on a working visit to Tirana.

At the beginning of the meeting the delegations exchanged information on the work and problems the Albanian education is faced with both in Kosova and Albania. They also talked on the need to create a unique system of education for all the Albanians, wherever they are.

A principled agreement on it was reached earlier, whereas the latest meeting defined the schedules to begin drafting the educational plans and programs, which will precede the compiling of joint school texts on language, literature, history, art, music, geography, and the Albanian culture in general and the compilation of joint texts on social subjects. Whereas the future plans include the creation of a unique network and system of the professional middle schools, observing the specifics of each environment. To this end the professional groups of the two governments will soon start working. They agreed that the joint primary for all the Albanian pupils be compiled and used for the 1994-1995 school year. They also reached an agreement for drafting unique plan programs and texts for the Albanian pupils in the diaspora.

In this meeting they also talked on the cooperation between the universities of Albania and that of Prishtina.

Free Private Owners Association Holds Rally

AU2604173793 Tirana Radio Tirana Network in Albanian 1330 GMT 26 Apr 93

[Text] This morning the Free Private Owners Association organized a peaceful rally in the square in front of Dinamo Stadium in Tirana.

Qirjako Noti, president of the association, and representatives from branches in various districts of the country again objected to Articles 12 and 17 of the Law on the Return and Compensation of Properties to their Former Owners. They stressed that they want to meet the president of the Republic and threatened to continue the strike by closing shops for an indefinite period throughout the country. If the Constitutional Court does not annul these articles, then they will present the case to the court in Strasbourg and other international institutions.

Berov Wants Common Stand by Countries Hit by Sanctions

AU2704205893 Sofia BTA in English 2007 GMT 27 Apr 93

[Text] Sofia, April 27 (BTA)—"We are categorical that Bulgaria and the other states should observe the UN sanctions against 'mini-Yugoslavia,'" Prime Minister Lyuben Berov said today after holding consultations on the sanctions issue with National Assembly Chairman Aleksandur Yordanov.

They discussed Bulgaria's idea that the states affected by the UN embargo against Yugoslavia: Bulgaria, Greece, Macedonia, Romania, Hungary, the Czech Republic, and possibly Austria, should agree on a common stand, the prime minister specified.

"The sanctions against 'mini-Yugoslavia' may prove disastrous for Bulgaria's trade relations with Central and Western Europe," Prof. Berov said, stressing that those regions account for a large part of Bulgaria's foreign trade.

"I do not believe that Bulgaria will get any compensations," the prime minister said.

Measures To Help Defense Industry Discussed

AU2704181693 Sofia BTA in English 1723 GMT 27 Apr 93

[Text] Sofia, April 27 (BTA)—It is the government's political decision not to export weapons to Macedonia, the regions of conflict and hostilities in the former Yugoslavia and the Balkan countries, Deputy Prime Minister and Minister of Labour and Social Affairs Evgeni Matinchev, said. Mr. Matinchev informed the participants in today's meeting of the National Council for Tripartite Cooperation (NCTC), comprising representatives of the government, the trade unions and employers, about the measures for improving the financial condition of the Arsenal Military Plant in Kazanluk (central Bulgaria), which the cabinet approved at a closed meeting yesterday.

Mr. Matinchev told journalists that he undertook to expedite the work on the liquidation of the debts incurred by the military complex enterprises to build up mobilization reserves, this will be done immediately after parliament passes the national budget.

The government has recommended to the Governing Board of the State Fund for Reconstruction and Development to guarantee the allocation of 210 million leva (about eight million U.S. dollars) to Arsenal and instructed Deputy Prime Minister Valentin Karabashev, Minister of Trade Rumen Bikov, and the management of Arsenal to come out with proposals for a comprehensive solution to the economic and social problems of the plant before the end of this year.

According to the vice president of the Confederation of Independent Trade Unions in Bulgaria (KNSB), Ivan Neykov, similar problems will arise at the other enterprises in the military complex because there is no strategy for the development of this sector. Yesterday's decision of the cabinet was supported by the representatives of the Podkrepa Labour Confederation, the Union for Private Economic Enterprise and the Bulgarian Industrial Association.

Today the NCTC approved an ordinance on the status of employees at Bulgaria's diplomatic missions and consular posts. The ordinance is to be endorsed by the cabinet. It regulates the employment status of diplomats, detailing the Ordinance on Foreign Service operating since 1980. According to the ordinance approved today, diplomats assigned to posting abroad by employment contract must hold Bulgarian citizenship only.

The participants in the NCTC meeting did not accept the KNSB proposal for a one-month break of their work. The KNSB motivated its proposal by saying that the NCTC had no possibility to work on some cardinal problems such as privatization and the structural adjustment of the country's economy. The social partners are unanimous that a far-reaching programme for the NCTC work should be made.

Cabinet Adopts Plans for Free Trade Zones

AU2704072093 Sofia BTA in English 1747 GMT 26 Apr 93

[Text] Sofia, April 26 (BTA)—The government plans investments to amount to 16,500 leva in 1993, according to the 1993-1995 investment programme it adopted today. 6,500 million leva are to come from the national budget, if it is passed by parliament as proposed, 9,600 million are to come from abroad in the form of foreign investment and the remaining funds, about 400 million leva, will have to be sought additionally. One dollar is exchanged for about 27 leva, according to the exchange rate of the day.

The programme includes 49 units of exceptional importance for this country's economy. The cabinet has also drafted an extended programme including 105 units which could attract foreign investment. The national budget will finance geological prospecting, units related to the safety of the railways, the purification station of the copper combined works in Pirdop (central Bulgaria) and the first stage of the establishment of free trade zones.

The branches expected to receive foreign investment are in telecommunications, the road construction, bridge and port construction, power engineering, water supply, health care and environment protection. In order to attract foreign investment, the programme provides for the allocation of budget funds as shares amounting to 25-30 percent of the annual task of the respective unit.

The government has worked out its investment programme with the participation of experts of the World Bank and after consultations with the World Bank representative in Bulgaria, Mr. John Wilton.

European Parliament Votes on Cooperation

AU2304210393 Sofia BTA in English 1918 GMT 23 Apr 93

[Danielida Weber "exclusive" report]

[Text] Strasbourg, April 23 (BTA) - At its sitting today, the last in its April session, the European Parliament voted a resolution on relations between the European Community and Bulgaria. This fact can be defined as an exceedingly successful step towards Bulgaria's tangible integration with the community after its formal admission to associate membership in March 1993.

The committee which drafted the resolution made a detailed and critical analysis of the current socio-economic situation in Bulgaria. The Greek M.P.'s took active part in the debate. They spoke in favour of a more vigorous exchange between Bulgaria and the community and specifically on a removal of barriers to Bulgarian exports to the EC countries. The M.P.'s shared the view that Bulgaria plays a key role in the efforts for the achievement of Balkan stability and should get substantial support in this respect. The Bulgarian initiative for a permanent conference of Danubian states was also supported.

The Bulgarian diplomats in Strasbourg were pleased to stress that some unfavourable formulations in the draft were dropped from the final text of the resolution. The remark on the differences in Bulgaria's and EC's positions on the recognition of Macedonia was deleted. The attempt to put Bulgaria on the same footing with Romania was abandoned, and it was emphasized that the two countries should not be treated in relation to each other. Mrs. Patricia Rawlings, rapporteur of the resolution drafting committee, observed that unlike Romania, the Republic of Bulgaria is member of the Council of Europe and party to the European Human Rights Convention. The final text also drops the demand for additional guarantees from the Bulgarian government for the continuation of the reform, as the European Parliament found that there were enough facts to confirm the irreversible line towards a market economy.

The passage of the European Parliament's resolution is important because this body determines and votes the community budget. The resolution will be forwarded to the EC Commission in Brussels and, as the commission delegate to this session Mr. Vanni D'Arcirafi emphasized, this will make it possible to take the first steps for the implementation of the Bulgarian-EC accords as from June 1993.

Battleship Fleet Pays Five-Day Visit to Turkey

AU2504175693 Sofia BTA in English 1718 GMT 25 Apr 93

[Text] Varna, April 25 (BTA)—"It is our wish to strengthen the cooperation between the navies of the Republic of Bulgaria and the Republic of Turkey and I hope that the contacts between the navies of the two countries will contribute to the cloudless relations with our southern neighbour," Vice-Admiral Ventsislav Velkov, commander of the Bulgarian Navy, told BTA. Under his flag a fleet of Bulgarian battleships left on a five-day visit to Turkey at the invitation of the commander of the Turkish Navy, Army Admiral Vural Bayazid.

At about noon tomorrow a Turkish torpedo boat will meet the Bulgarian battleships three miles to the north of the Rumelifener-Anadolufener line and will accompany them to the port of Istanbul.

Suicide of President Zhelev's Daughter Reported

AU2704195093 Sofia BTA in English 1919 GMT 27 Apr 93

[Text] Sofia, April 27 (BTA)—"In all likelihood it was suicide, but the results of the mandatory inquest should be released to be sure about that," the president's spokesman Valentin Stoyanov told BTA today in connection with the sudden death of President Zhelyu Zhelev's younger daughter, which was reported late last night.

The President's Press Office said that Yordanka Zheleva's funeral was held today.

"A formal inquest is being conducted into the causes and circumstances of the death of Miss Yordanka Zheleva," Sofia City Prosecutor Nestor Nestorov, member of the Supreme Judicial Council, told BTA today. He specified that the inquest had been assigned to investigating magistrates at the Sofia Investigative Service in the matter of a Penal Code article creating criminal liability for anyone who aids, abets, counsels or procures the suicide of another.

The Union of Democratic Forces and a number of political and public organizations today cabled condolences to the bereaved.

'More Emphatic Move' by UN Not Opposed

LD2704201393 Prague CTK in English 1912 GMT 27 Apr 93

[Text] Prague April 27 (CTK)—The Czech Republic is not opposed to a more emphatic move by the United Nations aimed at the restoration of peace in Bosnia-Herzegovina and is ready to support it in a form corresponding to its possibilities, the Foreign Ministry said today.

The ministry's statement passed to CTK pledges continued support for the Czechoslovak UNPROFOR unit, to be soon turned into a Czech one, in Croatia.

The statement says that since the very beginning the Czech Republic has been pushing for a peaceful settlement of the conflict in Bosnia-Herzegovina.

But the latest development has shown that the Serbs are not in favour of a political solution, the statement says and stresses that the Czech Republic supports and will strictly observe the sanctions imposed on the former Yugoslavia under Resolution No. 820 of the U.N. Security Council, which took effect today.

The Czech Republic has always denounced ethnic purges on the territory of the former Yugoslavia, which include mass expulsions of people from conquered territories, brutal mass rapes and other crimes pointed against the civilian population.

That is why it fully supports the demand that these crimes of war be consistently investigated and that the perpetrators be punished in accordance with U.N. Resolution No. 808, the statement says.

Klaus Opposes Radical Solution to FRY Crisis

LD2704210593 Prague CTK in English 2023 GMT 27 Apr 93

[Text] Prague April 27 (CTK)—Czech Premier Vaclav Klaus expressed himself today against simplified approaches to the solution to the crisis in the former Yugoslavia, as the situation was far from being clear-cut and it was not easy to establish who was the culprit.

If it were so easy, I am fully convinced that the whole Yugoslav dispute would have been solved long ago, Klaus said in an interview with Czech Radio.

Many foreign politicians, who were passive for a long time, suddenly begin to back radical approaches and know the solutions. It is a bit like ostrich policy, and I would not like the Czech Republic to join this sort of simplified policy, he stated.

Neither Austria nor the Czech Republic must do anything that would cause the Temelin issue (construction of a nuclear power plant in south Bohemia) to cool their political, economic, cultural and other relations, Klaus said.

He added that this principle has been confirmed in the talks with Austrian political representatives which he conducted during his visit to Austria last weekend.

He assumes that another round of talks on the unresolved property issues with Slovakia could be held between the two countries finance ministers as early as this week.

Havel Meets With German Businessmen

AU2704130693 Prague CTK in English 1549 GMT 25 Apr 93

[Text] Hamburg April 25 (CTK)—Czech President Vaclav Havel, currently on a visit to Germany, met today with 20 Hamburg businessmen and industrialists who expressed admiration for the pace of the Czech Republic's economic transformation which has coped with the loss of the eastern markets, Havel's Spokesman Ladislav Spacek told CTK here today.

Participants in the 50-minute talk praised the fact that Czech exports to Germany increased by 62 percent last year.

Spacek said that Czech-German projects were also under discussion, including one on utilising the navigability of the Elbe River. Representatives of business circles pointed out that the Elbe is very polluted, for which the Czech Republic and Saxony are mainly responsible. With regard to the importance of this waterway, the German Government, and likely the European Community, should take part in the Elbe projects.

At a lunch given in Havel's honour by Hamburg Mayor Henning Voscherau, Havel said that for the Czech Republic, Hamburg was, and is, the gateway to a free world. Many Czech writers and artists who left Czechoslovakia under the communist regime were given shelter in Hamburg and were able to continue their work there, Havel said.

In the afternoon, he visited Klaus Juncker, former director of the Rowohlt-Theater publishing house. Accompanied by the Rowohlt Director Michael Naumann, he took a tour of the publishing house's editorial and administrative building.

Naumann told CTK that Rowohlt (which had the copyright for publishing Havel's works until 1989) published Havel's plays and other works for thirty years. This meant for us also participation in the struggle for freedom and democracy in eastern European countries, Naumann said.

Havel will leave for Bonn today and meet with German Chancellor Helmut Kohl, Foreign Minister Klaus Kinkel and Bundestag (federal assembly) President Rita Sussmuth on Monday [26 April].

***

In his regular Sunday radio programme, Havel said that Russian President Boris Yeltsin is sort of a guarantee of Russia's development towards democracy and a market economy.

If Russia were moving in the wrong direction, said Havel, then it would undoubtedly affect not only our mutual relations, though not perhaps in an immediately visible and tough form, but particularly it would have unfavourable consequences world-wide.

In Havel's opinion, the wrong direction might reflect in pushing through the forces which seek to support Serbia in the Bosnia-Herzegovina warfare. This would probably lead to vetoes in the (U.N.) Security Council and to the nuclei of a new sort of bipolar relationships in Europe and in the world. Nobody wishes this, and it is in nobody's interest, Havel said.

Dlouhy Assesses Economic Performance in Jan-Feb

AU2704153693 Prague CTK in English 2101 GMT 23 Apr 93

[Text] Prague 23 April (CTK)—January industrial production in the Czech Republic was down by more than 4.7 percent compared to the same period last year, Czech Minister of Industry and Trade Vladimir Dlouhy told journalists today.

The figure would have been even higher if fuel and energy-producing firms had been included in the survey, Dlouhy said.

Czech Statistics Office figures show that February production slumped by 12.5 percent compared to the same period last year, putting the drop in production for January and February at 7.9 percent compared to 1992 figures.

The highest drop was experienced by the electrical engineering, general engineering, chemical and pharmaceutical industries, Dlouhy noted.

Average wages in January were up by 19 percent in January compared to 1992, and by 22 percent for January and February Dlouhy stressed.

The volume of construction in January was down by 19.1 percent on January 1992, with an estimated 5-6 percent drop for February on a year ago.

The Czech Republic posted a positive trade balance of 900 million crowns (30.6 million USD) in January but showed a trade deficit of 1.8 billion crowns (61.2 million USD) in February.

Compensation Recommended for Resettlement

AU2704180693 Prague RUDE PRAVO in Czech 22 Apr 93 pp 1, 2

[RUDE PRAVO report: "The Foreign Ministry Recommends Considering Compensation for Some Resettled Germans"]

[Text] In its informative document, signed by Minister Zieleniec, the Foreign Ministry recommends that the Czech Government deal with "compensation to those victims of the resettlement where the law was clearly violated." The document, consisting of 14 typewritten pages and entitled "Information on German Political Development and Principles of the Czech Republic's Foreign Policy toward the Federal Republic of Germany, was presented at a government meeting with the proviso that no final solutions are being proposed, only topics for discussion in government.

When asked by a RUDE PRAVO reporter, Prime Minister Klaus said: "We took this document from the category of informative documents, and spoke about it for a while, aloud, but it is not a document that would represent a resolution, proposal, or a conclusion...."

In the document, it is written: "Czech policy does not have to be afraid of history. Our policy must also support historical research into the dark sides of the coexistence between Germans and Czechs, including the war period and resettlement. The results of this research must be published and exaggerated information must be put right.

"On this basis, it would be possible to think about some "gesture of good will" toward Germany, for example, to compensate those victims of the resettlement where the law was clearly violated.

"Such a gesture would have to be linked to a similar German gesture. One possibility would be the establishment of a fund dealing with compensation to Czech Republic citizens who were persecuted during the war or put into forced labor—after the Polish model.

"The German Government would contribute some 100 million German marks to the fund. This alternative, however, is not acceptable for the German side for political reasons.

"Another possibility, an easier one for the German side, would be to create a joint Czech-German project oriented toward the economy, ecology, science or culture, that is, activities that would otherwise have to be financed by the Czech Republic. This project would be subsidized by Germany. Czech war victims would have to be compensated from the budgetary funds, which would be thus released."

Klaus Attends Economic Forum in Vienna

AU2704130793 Prague CTK in English 1839 GMT 24 Apr 93

[Text] Vienna April 24 (CTK)—Czech Premier Vaclav Klaus spoke about the radical economic reforms in the Czech Republic at today's conference of the so-called Group of 30 (G-30), an independent non-governmental group of politicians, financiers and economists.

Members of the G-30, which was established in 1978, are current and former members of influential institutions, whose evaluation affects the value of global shares, Klaus said. The heads of French and Austrian central banks were also present at the meeting.

Klaus told Czech Television tonight that he considers speaking at such a forum very important. The conference participants are enormously influential people who influence the public climate and the considerations of businessmen, investors and politicians, he said.

Minister Dyba Holds Economic Talks in Japan

AU2704153893 Prague CTK in English 2215 GMT 23 Apr 93

[Text] Tokyo April 23 (CTK)—Czech Economics Minister Karel Dyba arrived to Japan today to attend a meeting of economics ministers here.

Soon after arrival, Dyba held a preliminary meeting with Japanese Minister of State and director-general of the Economic Planning Agency Hajimo Funada who expressed polite admiration on the success of economic reforms in the Czech Republic.

Funada added he would recommend that Japanese businessmen invest into the Czech Republic.

Dyba spoke of the need for an utmost deregulation of international trade and asked Funada in the interest of new market economy countries to strongly come out against trade protectionism.

Dyba also met with officials of the Japanese Fund for Foreign Economic Cooperation. He asked them to speed up an issuance of a promised loan for the purchase and installation of desulfurization equipment at a central Bohemian fossil-fuel power plant. Dyba also discussed similar Czech projects with the fund.

Zieleniec Interviewed on Current Issues

AU2704171693 Prague RUDE PRAVO in Czech 21 Apr 93 pp 1, 9

[Interview with Minister of Foreign Affairs Josef Zieleniec by Marie Koenigova; place and date not given: "It Would Be Irresponsible To Sign an Agreement With Germany Without Having a Border With the Slovak Republic"]

[Text] [Koenigova] Prime Minister Meciar has expressed doubts as to whether it was necessary to establish a standard border with the Czech Republic and offered to triple the protection of Slovakia's borders with Hungary, Poland, and Ukraine instead. How do you respond to this offer?

[Zieleniec] I do not know what it means to triple the border protection. The problem is that a border between the Czech Republic and the Slovak Republic is necessary. Not a border guarded by regiments of troops or barbed wire. It is necessary, however, that we agree on the existence of border crossings, which are a prerequisite for being able to monitor the flow of goods and the movement of third country nationals. We must also agree on the manner of our citizens' movement. We do not want to change the agreements on their free movement across the border. They will only require identification papers so that they can be distinguished from third country nationals who have to cross the border solely via border crossings. That is the gist of the request that we have addressed to the Slovak Republic. Hence, we do not want to change the existing agreements but to supplement them. Controlling the movement of foreign nationals is not only important for reasons of illegal migration, which is in fact an immaterial argument in the case for strengthening the border with the Slovak Republic.

[Koenigova] Closely related to the problem of migration is visa policy. Are we going to have a joint visa policy with the Slovak Republic? [During a recent debate on migration issues] Czech parliament deputies criticized Slovak authorities for their leniency, which actually legalizes the stay of refugees on our territory.

[Zieleniec] We have agreed on a joint visa policy but certain nuances exist that make the existence of a state border necessary. I will give an example: We have had visa-free contacts with Romania since the times of the federation. Romania is one of the biggest sources of illegal migrants to Germany. But they come to our territory legally. We have agreed with the Slovak Republic to apply certain measures to tighten the control of their movement. Yet we have found out that the Slovak authorities approach the fulfillment of this agreement in a very different way. In spite of this, the border that we propose to establish [between the Czech Republic and the Slovak Republic] is far from being a standard one as exists between European states. But the existence of this border is an important condition for us to maintain close contacts with the Slovak Republic.

If we did not come to an agreement, forces that want a one-sided radical arrangement of border relations with the Slovak Republic would be provided with an argument. The agreements that we are now negotiating with the Slovak Republic should be a step toward allowing close relations between the two states and their citizens.

[Koenigova] During [Slovak Foreign] Minister Moravcik's visit, there was talk about some kind of

different glasses through which the two sides view the need to build border crossing points. Have you settled your differences?

[Zieleniec] It was Minister Moravcik who spoke about different glasses. Slovakia assumed that the Czech Republic wanted a border only because of the migration problem and as a basis for concluding an agreement with Germany on the settlement of border relations. I explained to the representatives of the Slovak Republic the wider implications. I told them that crime was in question, which will become a bilateral problem. I also explained to Mr. Moravcik that the agreement on border crossings and on the free movement of citizens of both states was an expression of the endeavor to maintain an open border.

[Koenigova] Did you succeed in persuading the Slovak partners?

[Zieleniec] I think so. The talks have made headway and the agreement on border crossings could be ready soon.

[Koenigova] You have mentioned the linkage between the migration problem and our agreement with Germany. Originally, there was interest in commencing the talks prior to the adoption of the amendments to the asylum law in the FRG, and the prime ministers advocated the start of lightning talks [bleskove rozhovory]. Meanwhile, it is evident that just setting up the Czech commission to prepare these talks will take at least three months.

[Zieleniec] The word "lightning" can be interpreted in different ways. All talks require preparation. [German Interior] Minister Seiters and Chancellor Kohl's adviser Hartmann were in Prague on Friday [16 April] for talks with [Czech Interior] Minister Ruml. We cannot sign an agreement on readmission [of refugees] with Germany without being able to implement this agreement effectively. The questions of border crossings with the Slovak Republic and of effective control of third country nationals' movement are closely related to this. We would be acting irresponsibly if we signed this agreement without having a secure border with the Slovak Republic. Everything has its dynamics and I am confident that we will also come to an agreement with the FRG. The refugees represent a big problem for Germany, one that could destabilize the state. It is a problem, however, that must be shared by all the states through which the refugees travel. The solution to this problem should result in a Europe-wide convention. This will take longer, however, which means that an immediate provisional solution must be found. The future convention will not only help deal with practical problems, but will also help distinguish between migrants who only want to improve their economic situation and political refugees.

[Koenigova] My feeling is, however, that Europe as a whole does not perceive the migration problem as overly pressing at present.

[Zieleniec] The movement of migrants that represents a pressing problem at present is that from the southeast to Germany. However, apart from East-West migration, there is also the latent but all the more dangerous migration from the south to the north, with the European continent as a whole becoming the target destination for migrants from the poverty-stricken countries of Asia and Africa. In the long term, migration will become a pressing problem for everyone.

[Koenigova] It seems that Germany does not intend to wait with its change of the asylum law until the readmission agreements [with neighboring countries classified as "safe third countries"] come within sight.

[Zieleniec] That Germany does not intend to wait until these agreements are in place is a conditional statement. A complex political debate on this issue is under way in the FRG. A change to the asylum law requires a change to the constitution, for which an agreement of the government coalition alone is not enough. This is a very difficult matter for the FRG, also because it feels an obligation to Europe and the countries of Eastern and Central Europe stemming from World War II. One of the repercussions of this moral obligation is Germany's present extremely liberal asylum legislation. The agreement with states that are affected by the planned changes to this legislation serves as an important argument also in the German internal political debate. The conclusion of an agreement is important for us so as to prevent unilateral measures. The FRG should therefore be aware of our readiness to conclude such an agreement. It would be of no benefit to us if Germany simply placed barbed wire around its borders and escorted illegal migrants one meter across its border.

[Koenigova] Nonetheless, let me ask again: Do you think that Germany will change the asylum law prior to the conclusion of agreements?

[Zieleniec] I would consider that a bad solution.

[Koenigova] Prime Minister Klaus declared that it would be advantageous for Germany if we failed to agree on a joint readmission agreement with the other post-communist countries because Germany's position is stronger when it negotiates with each country separately. Prime Minister Klaus considers a multilateral agreement more advantageous. Do you share his view?

[Zieleniec] It is a general truth that a multilateral agreement would be more advantageous. However, it takes too long to conclude such an agreement. The solution by means of bilateral agreements, which we are seeking at present, does not rule out a universal solution by means of a pan-European convention after some time. Our diplomacy will be active in this area. I am an optimist because, after all, it is inconceivable that Europe is not capable of resolving this problem.

[Koenigova] Voices are becoming increasingly stronger suggesting that we stop standing in front of the EC doors

with cap in hand. The EC's policies toward post-communist countries have been criticized by us for a long time. The embargo [on import of meat from East European countries] demonstrates once again that this criticism has its justification. Could this prompt a reassessment of our attitude toward the EC?

[Zieleniec] Criticism of EC policies has long been part of our foreign policy. It really is unacceptable when, on the one hand, we are trying to build a relationship of partnership that should lead to our state's gradual integration into the EC and then, on the other hand, this endeavor is undermined by incidents such as the ban on the import of cattle, for which there exist no veterinary reasons. The export of our steel was an analogous problem. Yet this does not imply that we should reassess our foreign political orientation toward the EC and Western Europe.

[Koenigova] What, in your opinion, is the reason for the EC to assume such positions?

[Zieleniec] Following the dismantling of the Iron Curtain, the EC has been experiencing a kind of identity crisis. It is looking for a new vision, dealing with the problem of its open eastern border, and thinking about where the borders of future Europe might be. This discussion finds its expression also in the complex search for a trade policy toward us. The EC's traditional, relatively strong protectionist policy is to be changed with regard to our countries. I consider these matters to be a relatively natural process, a process that is associated with our integration. We realize that we will become part of the EC only thanks to our own work, if we succeed in elevating our economy to a standard comparable to that of Western countries and if our democracy is stable. We know that our integration into Europe is primarily our own task. On the other hand, Western Europe must get used to the idea that, one day, we are going to live together. When our economies and markets join those of Western Europe, the structures of the West European economy, including agriculture, will inevitably change. I consider these problems to be more problems of growth than something that ought to prompt a change of concept. It demonstrates that they are beginning to take us, our existence, and our economy seriously.

[Koenigova] Can I take this to mean that the criticized EC measure is an expression of the fact that, instead of being a market for its products, as Europe assumed, we are becoming its competitor?

[Zieleniec] Europe is not one state, it does not have a head in which thoughts of this type are born. On the one hand, the realization has gradually prevailed that one cannot preserve the remnants of the Iron Curtain and this realization gave rise to the political will to integrate our states into the EC. On the other hand, many partial interest groups—the steel lobby and then the agricultural lobby—have been able to impose their will on specific EC measures. Accomplishing this in the EC is all the easier as political control over the Brussels bureaucrats is extremely limited. Only 10 percent of the problems involved in a technocratic solution such as an import ban are of a substantive nature, while 90 percent are political, which a bureaucrat simply does not acknowledge. I believe that, ultimately, the political dimension will prevail. And I am confident that what has now happened with meat, which is a marginal problem from the economic point of view, will serve as a warning in the development of mutual relations and will help improve communications.

[Koenigova] Speaking about our attitude toward the EC, it is impossible to ignore the talks on the association agreement. The EC insists on the inclusion of a clause on human rights, which we oppose. Why?

[Zieleniec] The number of countries that want to conclude an association agreement with the EC is gradually increasing. These are states in which questions of human rights are still open. The EC wants to assert itself to make these countries embark upon the road toward democracy, in which human rights are observed. This is why last year the European Parliament approved a resolution that obliges the EC to enforce this clause. To a considerable extent, this is a formal matter. Representatives of the community and of the Twelve assure us that this is a certain standard procedure, of which we have become part. Yet it is important for us to raise objections to this in one way or another. Although we realize that, ultimately, the clause will have to be included in the agreement, it is important to make our objections evident in order to demonstrate that human rights are not being violated in our country.

[Koenigova] Your position on this matter differs from the prime minister's. Why?

[Zieleniec] You know how things work. What is important for the minister of labor and social affairs is less important for the minister of defense. I see the significance of the debate on the clause as the Czech Republic being publicly billed as a state in which there exist no doubts about the observance of human rights.

[Koenigova] Some recent statements by politicians on foreign policy issues have all too frequently been perceived as conflicting or incongruous. Is it because there exists no foreign policy concept, as the opposition claims, or because some people have come to work in foreign policy by virtue of their party affiliations, rather than by virtue of their expertise, or is there another, a third explanation?

[Zieleniec] Yes, there is a third explanation, namely that what you said is not true. I think that, because of the political differences between the coalition and the opposition, every discussion on foreign policy and every little remark are being blown out of proportion. And there is an endeavor to explain some differences concerning, more or less, the way things are formulated as either the absence of a concept or as an expression of disagreements among the coalition parties. This is not the case. This government approved the foreign policy concept

drafted by my ministry and the concept has also been approved by parliament's Foreign Affairs Committee. All members of the government are guided by it. There are no significant differences between me and my deputy, Mr. Bratinka from a coalition party, on conceptual issues. It is necessary, however, to distinguish conceptual issues from rhetoric and differences in emphasis. I can say that no conceptual problems exist in foreign policy, and that is good. It is important for the credibility of a state when its foreign policy is not the matter of only one party, when it is not something that is reversed after a small change in the political situation. I believe that it needs to be appreciated that the opposition, too, shares the government's view on some of the key aspects of the foreign policy concept. Party skirmishes and discussions are one thing, but when it comes to the main foreign political orientation, orientation toward integration into the West European political, economic, and security structures, there exists unanimity of views not only within the coalition but also within the opposition.

[Koenigova] To what extent is your concept also binding on the other entities that are involved in foreign policy, specifically on the Castle [seat of the president]?

[Zieleniec] Every constitutional official has powers as defined by the Constitution. It is natural that, in the beginnings of a new state, when new constitutional routines take shape, a process of defining these powers with greater precision takes place. This takes some time, and may find its expression in discussions, which may become public at times. I am convinced, however, that even the president has the will to enforce our foreign policy concept, which he described in Parliament as good. He is sincerely trying to find such relations [with the Ministry of Foreign Affairs] as would allow us not only to represent our state jointly, but also to take initiatives. I am an optimist. I see no reason why we should not succeed in this.

Coalition Agrees To Continue Property Talks

AU2704154893 Prague CTK in English 1924 GMT 23 Apr 93

[Text] Prague April 23 (CTK)—Leaders of the Czech ruling coalition parties agreed that the ongoing negotiations to divide former federal property with Slovakia should proceed in their present form, meaning that Slovakia would be still asked to reach a financial settlement with the Czech Republic.

Czech Premier and Chairman of the Civic Democratic Party (ODS) Vaclav Klaus told the press after a top level meeting today that no other way of settling the problem was on the agenda for the Czech leadership.

The head of the Christian Democratic Union-Czechoslovak People's Party (KDU-CSL), Josef Lux, stressed a just settlement was sought and said that no one had the right to submit any catastrophic scenarios at the moment.

The leaders approved Vaclav Benda's nomination for the post of Czech Army inspector-general. Benda chairs the smallest coalition partner, the Christian Democratic Party (KDS) which has negligible electoral support but stood election on the winning ODS slate.

Chairman of the Civic Democratic Alliance (ODA) Jan Kalvoda confirmed that his party sought the top job at the BIS—the Czech intelligence service.

Lux and Kalvoda are deputy premiers while Lux is also the Czech agriculture minister.

[Prague MLADA FRONTA DNES in Czech on 24 April on page 2 carries a 700-word "pen"-signed report on the 23 April talks among the chairmen of the four coalition parties. The author notes that "MLADA FRONTA DNES has learned from a reliable source that the coalition parties did not accept the ODA's claim to the post of BIS director, even though Jan Kalvoda made it clear that the ODA might consider candidates other than deputies Oldrich Kuzilek or Vladimir Suman." The chairmen of the four parties reportedly also agreed that "a situation should not repeat itself such as arose in the Czech Parliament this week when some ODS deputies did not give support to Minister of Education Petr Pitha (KDS) and KDS deputies retaliated by not endorsing the report on the government's economic policy."]

Experts Unveil Proposed Anti-Drug Program

AU2604174293 Prague MLADA FRONTA DNES in Czech 22 Apr 93 p 2

["ina"-signed report: "Experts To Wage a War Against Drugs"]

[Text] Prague—The draft concept of the government's anti-drug policy provides for consistent prevention, minimizing the outflow of narcotic and psychotropic substances from health care establishments, and penalizing illegal production and narcotics trafficking. This arises from a document that has been submitted to eight government ministers by the interdepartmental anti-drug commission. According to Kamil Kalina, the commission's deputy chairman, the concept is to be submitted at one of the next meetings of the Klaus cabinet for discussion. "The commission recommends that the government devote priority attention to organized crime and the laundering of dirty money. The countries of Central and Eastern Europe are extremely vulnerable in this sphere," Kamil Kalina said. The interdepartmental commission did not recommend to the government the legalization of any drugs. "Accepting, for example, the Dutch model would presently have a very negative impact on the standing of the Czech Republic in Europe," Kalina said.

Location Approved for Nuclear Waste Storage

AU2704181293 Prague CESKY DENIK in Czech 22 Apr 93 p 13

[CTK report: "Yes to the Construction of the Intermediate Storage Place for Nuclear Waste in the Dukovany Nuclear Plant"]

[Text] Trebic—The investor in the Dukovany nuclear power station, Czech Electric Power Plants, received the approval of the district office in Trebic on the construction of the intermediate storage place for nuclear waste from the Dukovany nuclear power station (JED) yesterday. This is what Frantisek Rerucha from the JED information center said.

According to Petr Pruza, chief of the Department of Regional Development's district office in Trebic, the positive territorial decision [uzemni rozhodnuti] was sent out to the dozen participants in the territorial proceedings [uzemni rizeni] on Monday 19 April. They can appeal against the decision to the highest authority, which is the Czech Republic's Ministry of Economics, within 15 days after the receipt of this decision.

If no one does so, then the investor can—Petr Pruza told us—present his construction project and construction may begin. After the decision on the construction enters into force legally (according to the Czech Electric Power Stations' timetable, this is expected in June 1993), the investor can begin working on the construction of the intermediate storage place. The expected time span of the construction is, according to the investor, 16 months from the start of construction. Simultaneously with the construction, there will be an approval process for the containers, type 440/84, in which the waste fuel will be stored.

The operation of the power station in the Czech Republic—which generates 12 billion kilowatt-hours of electricity, providing 22 percent of the overall electricity consumption in the Czech Republic—is dependent on the construction of the intermediary storage, as of October 1994. The project manager of the construction is a consortium of German firms GNS Nukem. Overall costs are estimated at 1.7 billion korunas. The interim capacity is 600 tonnes.

Press Views Impact of Bankruptcy Law

AU2704203393

[Editorial Report] Czech newspapers on 22 April publish a number of reports, interviews, and commentaries on the impact of the law on bankruptcy and settlement, which went into effect on 22 April.

Prague HOSPODARSKE NOVINY in Czech on 22 April on page 1 carries a 500-word Marcela Doleckova report entitled "What We Know About Bankruptcies; The Law on Bankruptcy and Settlement Goes Into Effect in the Czech Republic Today." Doleckova notes that, although no estimates have been drafted as to the possible number of bankruptcies, "in preparing the launching of the law, consideration was given to the fact that the overall level of unemployment in the Czech Republic should not exceed 7 percent." Doleckova stresses that, even though there are no lists of companies that will not be allowed to go bankrupt, "one of the criteria in selecting candidates for state assistance will be the regional importance of possible candidates for bankruptcy. The main criterion, however, will be the company's ability to submit a realistic restructuring plan."

Speaking about state support for endangered companies, Doleckova notes that it will be carried out through the medium of Konsolidacni Banka [Consolidation Bank], which will receive funds from the National Property Fund to buy creditors' claims, which it will then try to sell for a higher price. According to the author, "the sum of 10 billion korunas is being contemplated" for this form of state support, "the effect of which should be multiplied by the aforementioned course of action."

Prague CESKY DENIK in Czech on 22 April on pages 1 and 2 carries an 800-word interview with Tomas Jezek, chairman of the Executive Committee of the National Property Fund, by Michal Musil entitled "The Bankruptcy Law Takes Effect Today," in which Jezek says that he does not expect any "dramatic development" as a result of the validity of the bankruptcy law. Asked to estimate the impact of the law on the level of unemployment, Jezek says that "if we did not do anything and left everything to unrestrained development, the situation could be bad. We want to carry out an active policy, however, so that unemployment need not become dramatic." Pressed to give a more explicit reply, Jezek says that if the state did not interfere in the bankruptcy process at all, "the level of unemployment after the wave of bankruptcies could be about 10 percent." Jezek expects electrical engineering and machine building to be affected by bankruptcies most severely, whereas "the building trade is not likely to be affected by bankruptcies at all."

Prague MLADA FRONTA DNES in Czech on 22 April on page 6 carries a 500-word Vladimir Matejovsky commentary entitled "D Day for Bankruptcies." Matejovsky says that the coming into force of the bankruptcy law means "the end of the Czech economic fairy tale" with virtually zero unemployment and growing real incomes. Speculating about the impact of the law, Matejovsky says: "It is likely that, as in Hungary, initially the law will not generate any dramatic changes. But even the mere threat of bankruptcy proceedings can change the payment discipline of many a firm. Moreover, and likely to turn out to be of the greatest importance, aggressive private entrepreneurs will within a few weeks uncover loopholes in the law and will hopefully force Parliament to pass the necessary amendments soon.

"At any rate, the genie is out of the bottle and can no longer be pushed back. The remedial process of bankruptcies, which is essential for the reform's success, is

starting. But so is the period of an inevitable growth of unemployment and of heightened social tension."

Prague CESKY DENIK in Czech on 24 April on page 2 carries a 600-word Jan Kreuzer, CTK report entitled "Across-the-Board Regulation of Bankruptcies Is Impossible, Says Dlouhy." The report quotes Minister of Trade and Industry Vladimir Dlouhy as saying that the state will not regulate the process of bankruptcies "across the board" but that "it will become active only in the case of state enterprises whose bankruptcy would jeopardize state interests or the country's ability to defend itself or where it would pose the threat of a chain reaction of bankruptcies." Dlouhy hopes that the banks will take an "active part" in the bankruptcy process and that it will be possible to avoid many bankruptcies by means of an out-of-court settlement between debtors and creditors. He also hopes to be able to reduce the level of company insolvency, which currently stands at 70 billion korunas, by means of a computerized mutual offsetting of company debts.

The same report quotes Lubomir Stepanik, director of Komercni Banka [Commercial Bank], the largest creditor of Czech enterprises, as saying that the bank is "prepared" to face the expected wave of bankruptcies: "The bank has reserves of 14 billion korunas, plus a so-called subordinate debt [podrizeny dluh] of 13 billion korunas with the National Property Fund. As of the end of 1992, Komercni Banka had extended a total of 180 billion korunas in credit, of which 'high-risk credits' represent about 10 billion korunas," Stepanik is quoted as saying.

Officials Deny Database Leaked to Kovac, Meciar

AU2704203593 Prague MLADA FRONTA DNES in Czech 23 Apr 93 p 2

[CTK and "rep"-signed report: "The Castle Is Denying That Information Has Been Leaked to Slovakia"]

[Text] Prague—Slovak President Michal Kovac allegedly has part of the database from the former Office of the CSFR President. We obtained this information from a source close to the Czech Interior Ministry. According to this source, the Slovak side was extremely interested in information on the Czech left-wing parties and movements.

Our source claims that this material was handed over to the Slovak president by Jaroslav Sabata, who was once a close colleague of CSFR President Vaclav Havel. He allegedly did this when he was an adviser to Michal Kovac, the last Federal Assembly chairman and current Slovak president.

Both Jaroslav Sabata and the Office of the President of the Czech Republic, however, reject this accusation and say it is untrue.

Interior Ministry spokesman Jan Subert admitted in reply to our question that an information leak from a Czech Republic security component may be involved here. However, according to him, the ministry knows nothing about it.

Jaroslav Sabata has denied that he could supply information of this kind. "I have no idea who controls the database at Prague Castle, and I did not even know that such a database exists." He described the accusation as part of a long-term disinformation campaign in which, according to him, the Interior Ministry is involved and in which it is making claims about Meciar's attempts to destabilize the Czech political scene through him and other people.

The Office of the President of the Czech Republic Press Department said yesterday that Jaroslav Sabata has never been employed by it and that he did not have access to the information contained in the database. The presidential offices in Prague and Bratislava were linked by a common computer network until the end of 1992. According to a statement from Prague Castle, this network—of course—did not contain a database with information on people involved in Czech politics.

[Prague CESKY DENIK in Czech on 23 April on page 2, under the headline "Pospichal and the Database," carries a 200-word "red"- signed report on the Prague Castle database controversy. According to this report, the database "which was supposed to have been handed over to Vladimir Meciar by Jaroslav Sabata was allegedly given to Sabata by Petr Pospichal, a former adviser to President Havel on East Europe and currently the charge d'affaires in Bulgaria. Pospichal, who is described as a pupil of Jaroslav Sabata, was a co-founder of the Czech section of the East European Information Agency (VIA) headed by Sabata's son-in-law, Petr Uhl."]

Kovac Backs UN Moves in Bosnia-Herzegovina

LD2704180393 Prague CTK in English 1609 GMT 27 Apr 93

[Text] Bratislava April 27 (CTK)—The bloodshed in Bosnia must be stopped as soon as possible and the Slovak Republic should support all moves by the UN Security Council aimed to terminate the war, Slovak President Michal Kovac told foreign journalists today.

He said that his visit to the United States on April 20-24 had been successful. The fact that I was received during an unofficial visit by President (Bill) Clinton, the secretary of state and the secretary of defence testifies to the United States' interest in Slovakia, Kovac said.

The most important were talks with representatives of the International Monetary Fund (IMF) and the World Bank, Kovac stressed.

He pointed out that Slovakia's industry had been an appendage of Soviet industry and therefore had to be quickly restructured.

This requires money which no eastern European state has, Kovac said. But he added that the IMF had a loan of 400 million USD [U.S dollars] ready for Slovakia and another loan of 150 million USD should be made by the World Bank.

Government Decides Against More Troops To Former FRY

AU2304141493 Bratislava NARODNA OBRODA in Slovak 21 Apr 93 pp 1,2

[Marcela Kostalova report: "The 'Tightening of Belts' Is Continuing"]

[Excerpts] Bratislava—The press briefing held during the Slovak Government session "provided" five representatives—and, despite the lack of time, it is necessary to state that they gave reporters some very interesting information. [passage omitted]

The fact that the Slovak Government did not approve the dispatch of our troops to the former Yugoslavia within the framework of the UN peacekeeping forces came as a surprise. Defense Minister Imrich Andrejcak explained that he does not know the precise reasons since the vote was secret. However, economic reasons obviously played the main role as we are already sending an engineering battalion there. And yesterday's postponement of the debate on the proposal to reduce military service to 12 months was certainly a disappointment for many future soldiers. [passage omitted]

Economy Minister Jaroslav Kubecka provided information on the draft concept for mining brown coal after 1993, a concept approved by the government. Among other things, the privatization of individual mines is also being taken into consideration. Some 4-4.5 million tonnes should be mined per annum, while consumption, which is around 11 million tonnes today, should decline to 6-6.5 million tonnes per annum. As far as the widely discussed law on bankruptcy is concerned, he said that it has an essentially more "gentle" form, because businesses are able to carry on during the lengthy arbitration proceedings. The Slovak Constitutional Court will discuss the so-called screenings law, because there are still many problems associated with it—personnel, financial, and the very reliability of the sources of information.

Meciar Says Czechs Count on Fall of Government

AU2704154993 Prague CTK in English 1536 GMT 23 Apr 93

[Text] Bratislava April 23 (CTK)—The super-zero variant of solving property division disputes between the Czech and Slovak Republics does not exist and is mere propaganda, Slovak Premier Vladimir Meciar told Slovak Radio today.

Our ambassador has tried to get explanations and received one saying that the super-zero variant does not exist, Meciar added, referring to Slovak Ambassador Ivan Mjartan's meeting with Czech Premier Vaclav Klaus in Prague on Wednesday [21 April].

Meciar said that the Czech Republic has ready a plan under which discussions on division of former federal property would be frozen until a more accommodating government comes to power in Slovakia. Czech propaganda starts to count on the fall of the current Slovak Government, Meciar said.

He said that Slovakia does not consider the Czech Republic' claims towards it proven and definitive. He recalled an agreement and a law adopted by the now defunct Czechoslovak federal parliament under which the Czechoslovak flag was considered the joint property of both the Czech and Slovak Republics, meaning that neither of the republics could take possession of it. The Czech Republic has violated this obligation and has not responded to Slovakia's protest, Meciar stressed. That is why it is legitimate that we demand compensation for damage, he added.

Regarding the division of federal property, Meciar said that having assessed all items he came to the conclusion that it is to the detriment of Slovakia.

Meciar said that Slovakia has an active balance in its trade with the Czech Republic. He stated the fact that transferring payments from the Czech Republic to Slovakia takes more than three weeks as an example of how illnesses of the Czech economy are being transferred to Slovakia.

Slovak, Hungarian Armies Seek Closer Ties

AU2704154093 Prague CTK in English 2059 GMT 23 Apr 93

[Text] Bratislava April 23 (CTK)—Closer cooperation among the armies of the Visegrad group has top priority, Hungarian Defense Minister Lajos Fur told a Bratislava press conference today after meeting with his Slovak counterpart Imrich Andrejcak.

The Visegrad group is an informal cooperation effort associating four Central European countries, the Czech Republic, Slovakia, Hungary and Poland.

Today's negotiations between the two ministers should have shown to all European detractors that peace would be kept along the Slovak-Hungarian border, Fur added.

Andrejcak said that an agreement was reached on all fundamental problems. Joint inspection teams will be formed with Hungarians and military research and development programs could be coordinated in order to prevent unnecessary duplication, the Slovak minister added.

[Bratislava PRAVDA in Slovak on 24 April on page 2 carries a 400-word "jl"-signed report on Fur's and Andrejcak's news conference, which includes the following passage: "The Hungarian minister dispelled fears of excessive Hungarian armament. He explained that at issue were mainly the purchase of spare parts and the modernization of the air defense identification system to make it compatible with the systems used in Europe and to make it conform with the ICAO [expansion unknown] norms. The Slovak minister drew attention to the fact that the solution of the same task awaits us, too. Replying to PRAVDA's question about the possible deployment of intervention forces on the territory of former Yugoslavia, Imrich Andrejcak said that in the present situation it was impossible 'to decide on a solution by adding up individual views, even if these were the views of the world's best strategists.' He believes that not all the means of exerting pressure have been exhausted yet in the interest of bringing about a solution. Lajos Fur stressed that, even if no solution other than by means of the force of arms were to be found, Hungary, as a country neighboring on the Yugoslav republics, could not, and definitely would not, participate in such a solution."]

HZDS Group Reelects Laluha as Chairman

AU2304135793 Prague CTK in English 1356 GMT 21 Apr 93

[Text] Bratislava April 21 (CTK)—Slovakia cannot react to the super-zero variant until the Czech representatives clearly explain its essence, Slovak Transport Minister Rudolf Hofbauer said at a conference of the ruling Movement for a Democratic Slovakia (HZDS) in Bratislava today.

Hvezdon Koctuch, chairman of the Slovak parliament's Economic and Budget Committee, said that he saw the main goal of the forthcoming period in competitiveness of the Slovak economy. With the Slovak crown's devaluation, the transformation process (in Slovakia) would become unbearable from the social point of view, Koctuch stated.

Slovakia's budget deficit was caused mainly by tax evasion, and uncontrollable cash payments, Koctuch said. A new, more economical concept for the energy policy is under preparation, he said.

Hofbauer said that certain, quite broad measures are being prepared in connection with Slovakia's spreading corruption, which had been criticized by Slovak Premier Vladimir Meciar on Slovak television on April 18.

On television, Meciar said that Slovakia had reached the point, beyond which the circulation of black money poses a threat to the state's basic function. Meciar said that his cabinet was fighting those who receive bribes, which they use to deform laws and the government's intentions, as well as against those who require more money for their services, to which they have no claim.

HZDS Deputy Vladimir Bajan said that deputies from the HZDS parliament group had reelected Ivan Laluha the group's chairman.

[Bratislava REPUBLIKA in Slovak on 22 April on page 3 carries a 200-word TA SR report on the HZDS briefing, which provides more details on the newly-elected leadership of the HZDS parliamentary group. According to the TA SR report, Ivan Laluha was elected chairman, Imrich Mori and Rudolf Goc deputy chairmen, and Maria Bartosikova secretary of the HZDS Club of Deputies.]

Commentary Examines SIS Director's Past

AU2604173493 Prague TELEGRAF in Czech 23 Apr 93 pp 1,5

[Peter Schutz commentary: "The Slovak Information Service Is Headed by an Adviser to a Totalitarian Minister"]

[Text] Two weeks ago when President Michal Kovac refused to sign a government recommendation to appoint Dr. Ivan Lexa, Meciar's head of the Government Office, to be director of the Slovak Information Service [SIS], the opposition and the media perceived this step as his first major independent decision and as throwing down the gauntlet to the omnipotent prime minister.

The widespread approval of Kovac's veto is based on Ivan Lexa's reputation as someone who is absolutely loyal to Meciar and dependent on him and is, therefore, unsuitable—on principle—for such an important post. There was no speculation at all on any other reasons for the president's decision, despite the fact that the ties

between Kovac and Meciar are still ambiguous. The Lexa episode was universally described by observers and commentators as a defeat for the prime minister and as a sign that the days of democracy in Slovakia may not yet be numbered after all.

On Monday 19 April Michal Kovac appointed Dr. Vladimir Mitro SIS director. Mitro's appointment, it may be said without any exaggeration, is a perfect nullification of all the implied positive aspects of the president's previous decision. A more unsuitable person than Dr. Mitro could hardly be found for this post. As far as his loyalty and ties to Meciar are concerned, he fulfills all the criteria for which—allegedly—Lexa was passed over, but, in comparison, he has even more noteworthy "merits." In light of subsequent facts, the question arises of whether Lexa's nomination and Kovac's veto were just a maneuver aimed at diverting attention.

Following Vladimir Meciar's appointment as interior minister in January 1990, Vladimir Mitro immediately became his adviser and remained in this post until the June, when he was appointed head of the Slovak Interior Ministry Office of Investigations.

According to sources close to the former Federal Security and Information Service [FIS], in this post he absolutely ignored all the charges brought against former communists in the Slovak police corps and accepted former State Security [StB] officers into this service en masse. He even accepted officers from the investigation department, which was the first StB component to be abolished and which had an even worse reputation than the infamous "internal enemy" department. The FIS considered Vladimir Mitro to be one of the most dangerous people for the democratic system. Following Meciar's recall in April 1991, Interior Minister Pittner, for some inexplicable reason, kept him on until the parliamentary elections.

Mitro's advisory career, however, did not begin with Meciar—far from it. The first to accept his advice was Comrade Stefan Lazar, Slovak Socialist Republic interior minister until November 1989. The most interesting thing of all about Mitro's past is the fact that Meciar did not select him as his adviser by chance, because he had already been acquainted with him for some time. At this point I would like to quote from an interview that Dr. Leonard Cimo—the former director of the Slovak Interior Ministry Inspectorate who fled from Meciar to Switzerland—granted to NECENZUROVANE NOVINY RUDE KRAVO [an anti-communist publication satirizing RUDE PRAVO] No. 25/1992: "Bilak [former Communist Party ideologist] had close contacts with Meciar through Mitro, the director of the Slovak Interior Ministry Office of Investigations, as well as Demikat [a Meciar confidant], and Schuster [Slovak National Council chairman after November 1989]. Two months before the revolution, Meciar, Demikat, and Mitro met in Kosice's Hotel Slovan with the Slovak Communist Party East Slovak Regional Committee elite. Demikat brought him an application for the Communist Party of Czechoslovakia, and, thus, Demikat and Mitro have a hold on him (Meciar—author's note)." It is necessary to add that, apart from Cimo, another eyewitness—a Kosice police officer—has confirmed this incriminating meeting in Hotel Slovan.

Despite this claim, for which there is no direct proof, the very fact that he worked as Lazar's adviser (which is indisputable) absolutely disqualifies Dr. Vladimir Mitro from being the director of the information service of a democratic country. It is remarkable that, following the wave of opposition to Lexa—who is as pure as the driven snow compared with Mitro—the opposition and press are now silent.

At the same time, Mitro's appointment is not the only peculiarity to surround the incipient SIS lately. At a news conference held during the recent Movement For a Democratic Slovakia assembly, Vladimir Meciar shocked everyone by announcing that the "SIS is operating and its units are functional, but we are so good that no one knows anything about it." The problem is that it unequivocally states in the law on the information service that SIS staff are appointed exclusively by the service's director. And he had not been appointed when the Trnava assembly was held. If we are to believe Meciar, this involves a clear breach of the law and makes a mockery of the law-governed state.

Even if we dismiss all the other circumstances, it is possible to state that Dr. Mitro's appointment as SIS director will do great harm to Slovakia's painstakingly cultivated image and to this organization's potential contacts with the services of friendly states, because this man is a symbol of continuity with our totalitarian past.

Slovak Planes Violate Hungarian Airspace

LD2804083793 Budapest Kossuth Radio Network in Hungarian 0800 GMT 28 Apr 93

[Text] MiG-type fighter aircraft bearing Slovak markings violated Hungarian airspace on Monday of this week [26 April]. However, the statement on this was only published today by the National Police Headquarters.

The four Slovak planes flew 200 meters into Hungary at an altitude of 500 meters in the Hidasnemeti area of Borsod County [northeast Hungary]. The planes spent about half a minute in Hungarian airspace, then flew back into Slovakia.

Fur Interviewed on MDF Concerns

AU2704192193 Budapest MAGYAR HIRLAP in Hungarian 24 Apr 93 p 9

[Interview with Defense Minister Lajos Fur, executive chairman of the Hungarian Democratic Forum, by Dezso Pinter; place and date not given: "No Files Prepared for Discrediting Others"]

[Excerpts] [passage omitted] [Pinter] What are your personal relations with Jozsef Antall?

[Fur] Our relations are normal.

[Pinter] Has Jozsef Antall's role in the Hungarian Democratic Forum [MDF] changed of late?

[Fur] No. Jozsef Antall is the chairman of the MDF and was elected to this position with a huge majority. Why would this majority think differently now from three months ago?

[Pinter] Is this true despite the deepening division within the MDF and Istvan Csurka's open criticism? Are there any people who want to see someone else as party chairman?

[Fur] I cannot say that there are no people who would like to see that, but they must be fewer than a minimal minority.

[Pinter] Is there any chance of a coup against the chairman from within the party?

[Fur] A coup, or even the chances of a coup, is almost excluded.

[Pinter] You also know that there are people who think the election chances of the MDF are rather poor, and there are also opinions that Jozsef Antall will not wait for defeat but cite ill heath and step down a few months before the elections. What do you think about this?

[Fur] I think of wickedness when I hear this supposition, and anyone who thinks of such a scenario does not know Jozsef Antall at all.

[Pinter] Will Jozsef Antall continue to be the leading personality of the elections in 1994 and the prime minister designate of the MDF?

[Fur] Who else? His person is one of the guarantees of success.

[Pinter] Who will be the major allies?

[Fur] It is too early to answer this question. Great changes are continuing to take place in this country and society, and it is still impossible to foresee the political consequences of these changes and their effects on the various parties. New parties could emerge and existing parties could split up, and both desirable and dangerous trends could also emerge. For example, occasionally we witness the advance of the Hungarian Socialist Party [MSZP], but one should know that this party is basing its rallies on the general dissatisfaction deriving from the huge unemployment, and it does this mostly in a demagogic and irresponsible way. For decades, a regime ruled in Eastern Europe which tried to drop something to everyone and, in the meantime, a lot of things deteriorated, and the whole nation declined because of this mistaken policy. Some citizens do not realize this, and the MSZP has a chance to do better in 1994 than in 1990. It is already clear that the Alliance of Free Democrats [SZDSZ] has failed to overcome its internal problems, and the increasing tension between the social-liberal wing and the rigid and doctrinaire liberal core is not diminishing. In the meantime, new groupings are emerging within the SZDSZ, and their interrelations are increasingly incoherent, and it seems that an increasing number of voters are aware of this. Our partner in the government coalition, the Christian Democratic People's Party [KDNP], is preserving its positive image in society, although this party has also showed peculiar reactions of late. For example, this party occasionally strongly criticizes the coalition on privatization matters. All in all, however, the KDNP seems to be generally healthy. [passage omitted]

[Pinter] You have given a short evaluation of every parliamentary party with the exception of the Federation of Young Democrats [FIDESZ]. What are the relations between the MDF and the FIDESZ?

[Fur] It would be difficult to answer this question with a single formulation. The FIDESZ is also very suspicious of the MSZP; not of its advance, but of the political tricks used for this. Lately, the FIDESZ seems to be strongly opposing the MSZP and, with this, the FIDESZ is a little reviving the political spirit that existed at the time of the roundtable discussions, a spirit that proved to be expedient then.

[Pinter] Based on this, could I say that, in your view, a uniform stand against the MSZP would be the basis of a possible alliance between the MDF and the FIDESZ?

[Fur] Please do not say that because, in spite of everything, I cannot envisage a coalition cooperation between

the MDF and the FIDESZ. The views and policy elements of these two parties are too far from each other to enable such cooperation. I must add that this is my personal opinion and not the official position of the MDF.

[Pinter] Are you sure that Jozsef Antall shares your views on a possible MDF-FIDESZ coalition partnership?

[Fur] You had better ask him about that.

[Pinter] Is it possible that the MDF will support nonparliamentary forces in the hope that these forces will be its allies as parties in the next parliament? Is it possible that this support has already begun?

[Fur] For the time being, there is no such thing. I do not know what will happen in six or eight months' time. It is possible that the Agricultural Association led by Tamas Nagy, the National Democratic Alliance led by Imre Pozsgay, and the Republic Party led by Janos Palotas will also make it into parliament. However, a proliferation of parliamentary parties would definitely be detrimental.

[Pinter] What foreign forces will advise you in your election campaign?

[Fur] Forces that we have always been in close contact with: People's parties, Christian democratic parties mainly from Austria, Germany, and France. We also have strong supporters from English-speaking countries.

[Pinter] In Great Britain and the United States?

[Fur] Yes, generally in the English-speaking world.

[Pinter] Do you already know how much the election campaign will cost?

[Fur] It will not be cheap either for us or for others. Hundreds of millions [currency not specified] will be spent on the election campaign in Hungary. [passage omitted]

FRY Sanctions Cause State Railway Losses

LD2704184793 Budapest MTI in English 1552 GMT 27 Apr 93

[Text] Budapest, April 27 (MTI)—UN-imposed sanctions against Yugoslavia have caused losses of HUF [Hungarian forints] 6-7 billion, or USD 74.7 million, to Hungarian State Railways (MAV) to date, Miklos Volgyi of MAV said on Tuesday.

In addition, since last Saturday, MAV carriages that arrived in Serbia or were to pass through it, have failed to return, and Serb authorities have failed to tell MAV why, Volgyi said.

Although a few years ago, MAV conducted 5 to 10 per cent of its traffic via Serbia, now it will probably stop completely since the company cannot take losses both in revenue and in vehicles.

Military Industry To Be Privatized

AU2804123093 Budapest MTI in English 0923 GMT 26 Apr 93

[Text] Budapest, 26 April (MTI)—Hungary's military industry will be reorganised under 10 holding companies, which will cooperate with a wide range of entrepreneurs under the coordination of the Military Industry Office, says a cabinet draft.

The state will retain 25-50 percent ownership in the 10 companies.

Areas believed to show promise are electronics, precision engineering, ammunition, and vehicle manufacture, and the production of chemicals, armour-piercing weapons, mine-throwers, and hand weapons.

Military Industry Office President Jeno Laszlo said the industry must be upgraded to meet at least 60 percent of the Hungarian Army's demands, within five to eight years.

In 1988, Hungary's military industry employed 30,000 people and produced 30 billion forints worth of goods. Three years later, production had dropped below 3 billion forints and now orders from the Hungarian Army have ceased.

Foreign companies have shown great interest in privatization of the industry. A reason, Laszlo said, was that foreign investors considered the stake remaining in state ownership was a guarantee, which they expected also would produce future orders.

Antall Addresses MDF Leaders

AU2704110993 Budapest MTI in English 1737 GMT 24 Apr 93

[Text] Budapest, 24 Apr (MTI)—"The Hungarian Democratic Forum remains unified, in spite of its internal debates," Hungarian Prime Minister Jozsef Antall, president of the Hungarian Democratic Forum (HDF), said on Saturday [24 April], addressing the founding session of the party's board in Budapest.

HDF Press Chief Karoly Herenyi informed journalists about the closed session.

According to Antall, there is no governmental alternative to his party, which can only be weakened through internal debates.

The key word in the coming period is opening, Antall said, which means the party intends to win over all honest people who enjoy public respect.

He stressed the HDF insists on holding the parliamentary elections in 1994, in accordance with the Constitution. The prime minister thus refuted rumours, according to which the elections would possibly be postponed to a later date.

The board is the party's most important decision-making organ in the period between the HDF congresses (national rallies). The board has 139 members, including county leaders who were elected over the past weeks, following the 6th national rally.

Antall expressed his regret that the Hungarian Path groups initiated by HDF Presidium Member Istvan Csurka did not come up to the earlier expectation of becoming a movement that would be the catch-all basis of social strata. The HDF presidium distanced itself from the Hungarian Path groups in February.

In a political statement approved at the session, the newly elected board declares its commitment to the values that have characterised the HDF since its founding. According to the board, the HDF can be successful at the next elections only if it is able to coordinate governmental practice with the nation's universal and historial-range interests, the document runs. The board also attaches major importance "for Hungary to maintain, even in its endangered situation, its stability considered exceptional in the region."

1993-1994 Planned Budget Deficit Figures

AU2804121493

[Editorial Report] Budapest NEPSZABADSAG on 27 April on page 13 carries an 800-word, "M.M."-signed discourse on the need to consolidate public finances under the headline: "State Finances 1994—To Make the Deficit Disappear." Some details of state finances are shown in the following table:

Major Indicators of State Finances 1993-1994 (Planned)—According to February Conditions

Major Indicators	Measurement	1993 Estimate	1994 Calculation
Gross Domestic Product (GDP)	billion forints	3,130	3,645
Revenue in Percentage of GDP	percent	66.9	60.3
Expenditure in Percentage of GDP	percent	4.0	70.7
Deficit in Percentage of GDP	percent	7.1	10.4
Deficit of State Finances	billion forints	-222	-378
Deficit of State Finances To Be Financed	billion forints	-198	-319
Above in Percentage of GDP	percent	6.3	8.8
Central Budget Deficit	billion forints	-185	-324
Central Budget Deficit	percent	5.9	8.9
Deficit of Social Security Fund	billion forints	-37	-54

Government Supports Ethnic Hungarians in Croatia

LD2304200693 Budapest MTI in English 1619 GMT

[Text] Budapest, April 23 (MTI)—Hungary regards the Democratic Community of Croatia's Hungarians (DCCH) as a legitimate organization of ethnic Hungarians in Croatia, and supports its efforts in the survival of ethnic Hungarians, a return to their homeland and integration, said Hungarian Foreign Affairs Deputy State Secretary Ivan Baba at talks with DCCH Chairman Arpad Pasza and DCCH MPs on Friday.

At the talks, the DCCH officials outlined the aims of the organization, and appreciated the support given to them by Croatia's leaders and authorities. The sides discussed issues related to refugees' accommodation and temporary employment in Hungary.

To preserve the national identity of ethnic Hungarians in Croatia, the DCCH attaches great importance to organizing Hungarian-language education by this September. The Hungarian Government will support these efforts by sending educational aids, textbooks and teachers.

DCCH representatives participate in the work of the Croatian-Hungarian joint minority committee, which is seeking to soon draw up a bilateral minority protection agreement.

Walesa, Latvia's Godmanis Discuss Cooperation

LD2704221993 Warsaw PAP in English 2157 GMT 27 Apr 93

[Text] Warsaw, April 27—Polish President Lech Walesa and visiting Prime Minister of Latvia Ivars Godmanis at their Tuesday meeting discussed cooperation among countries in the Baltic region. Later in the day the Latvian delegation ended its visit to Poland and left Warsaw.

"We do not want to see expansionism, either from the West or from the east, and we can oppose such enfonsion only through good regional cooperation," Walesa declared at the meeting with the Latvian head of government. According to him post-communist countries will succeed in their reforms and enter the European economic structures only if they develop partner-like cooperation.

Referring to his concept of Western assistance to Russia the Polish president stressed that he wanted "Russia to receive international aid but would also like Russia to abandon hegemonistic attitudes."

Latvirce Uuld cooperate with Poland and the Baltic states as these countries struggle with the same economic and political problems, the Latvian prime minister told a news conference after the meeting with Walesa.

He also supported Walesa's proposal that east European countries should participate in offering financial aid to Russia. He emphasised, however, that Western aid could not be effectively used as Russia had not undergone major reforms yet.

When asked about Russian soldiers deployeN Blockadia Godmanis said that they should leave his country. The Latvian Parliament will take a decision on the matter on Wednesday.

Cabinet Satisfied With Yeltsin Victory

LD2704190093 Warsaw Radio Warszawa Network in Polish 1700 GMT 27 Apr 93

[Text] At its meeting today, in the first part of which President Lech Walesa took part, the Council of Ministers expressed satisfaction at the results of the referendum in Russia, this being a clear option for reform, Foreign Minister Krzysztof Skubiszewski said at a news conference:

[Begin Skubiszewski recording] Russia is an important state in Europe—and not only in Europe—and above all for Poland. By virtue of the entire difficult past the democratic transformation in Russia has crucial significance.

Speaking of democratic transformation, I am thinking both of political transformations and economic transformations leading to the creation in this territorially huge country of a market economy. We feel that President Yeltsin is the politician who stands at the head of the reform movement, and for this reason has full support from Poland as well in his efforts. [end rcording]

Minister Krzysztof Skubiszewski declined to reply to a question about whether he intends to be a candidate for the International Court of Justice in The Hague. This would be associated with his resignation from the post of the head of Polish diplomacy.

Minister Skubiszewski clarified what our active eastern policy is based on:

[Begin Skubiszewski recording] Our aim is not only the development of good and many-sided relations with these states, but in general terms precisely the support of the democratic transformations that are taking place there and also the maintenance and underpinning of their independence. Another postulate to which I drew the attention of the Council of Ministers is the entire conglomerate of our economic policy in relation to our eastern neighbors. For our eastern policy to be truly active, it must have a very significant economic component, and there are obvious difficulties with this. And Poland should help these states, despite the limited resources it has.

A very significant matter is security, and here the strengthening of our ties with the security structures of western Europe—or the Euro-Atlantic zone—is associated with our eastern policy. [end recording]

Walesa Supports Referendum on Privatization

LD2704165793 Warsaw PAP in English 1512 GMT 27 Apr 93

[Text] Warsaw, April 27—President Lech Walesa on Tuesday declared that he is supporting the Solidarity-proposed idea of holding a national referendum on privatization. "I am supporting thc referendum as an institution because I know that a broader group of people should be asked," he told reporters on Tuesday.

Commenting on the threat by Privatization Minister Janusz Lewandowski who said that he will resign if parliament fails to pass the privatization bill, the president said he hopes that Minister Lewandowski would respect democracy and the referendum pertains to democracy.

Lech Walesa criticised the performances of parliament. In his opinion, the parliament's work does not satisfy the society and this should be changed.

Asked about early elections, the president said that "if we can manage to achieve something without changing a thing and paying additional costs then we should try to achieve it. If it will prove impossible we will have no other choice."

Asked whether he would endorse a coalition composed of the Christian-National Union (ZCHN), Polish Peasant Party (PSL) and the Confederation for Independent Poland (KPN) in case of the Hanna Suchocka government collapse, the president replied that "Poles like mess so that is why such a mess is possible here."

Goryszewski Reports on Southeast Asia Tour

AU2704125693 Warsaw PAP in English 1852 GMT 26 Apr 93

[Text] Warsaw, April 26—The meetings of Deputy Prime Minister Henryk Goryszewski with representatives of the governments of Malaysia, Thailand and Singapore served to activate trade exchange and to seek new forms of economic cooperation, it was said at a press conference summing up results of Goryszewski's visit to these three countries.

Poland and Malaysia have signed an agreement on promotion and protection of investments and set up a Polish-Malaysian business council. The talks also focused on launching cooperation in manufacturing Polish buses in Malaysia and the sale of Polish choppers to that country.

The Polish side opted for the urgent setting up of a Polish-Thai commercial chamber. Centres promoting Polish and Thai business are to be set up still this year.

According to Henryk Goryszewski, Poland is seen by these three countries as a democratic state which has a stable economic system and is the leader of economic transformations in Central Eastern Europe. Thailand and Malaysia are ready to set up joint-venture companies with Poland and Malaysia and Singapore consider the launching of active cooperation with Poland in shipping and railroad industry.

In his belief, Poland may become a bridge in trade exchange between Far East countries and Central Eastern Europe with Polish firms helping them to expand onto the markets of former Soviet republics. He added that businessmen from Singapore are to visit Poland within a month.

The visit of Deputy Prime Minister Henryk Goryszewski in Malaysia, Thailand and Singapore was the first ever paid at such a high level since 1989. Goryszewski was accompanied by a group of Polish businessmen.

Commission Urges Property Rights Referendum

AU2704123493 Warsaw PAP in English 2146 GMT 26 Apr 93

[Text] Gdansk, 26 April—The National Commission of the Solidarity Trade Union on Monday (26 April) demanded broad public discussion on forms of property rights for Polish society which should be followed by a nationwide referendum.

In an adopted resolution, commission members said such a referendum should be held not later than June 30 of this year and decided to turn to the president for his support in this respect.

The national commission also adopted a stand on "inadmissible attacks by government officials against the union." Union activists said that statements saying that Solidarity is an anti-reform force which acts like the communists are highly offensive to the union.

The national commission said it expects that Prime Minister Hanna Suchocka will publicly define the government's attitude towards Solidarity.

After a heated discussion, the commission annulled its earlier decision to stage a referendum on property rights which was to be organized by the union alone. Many speakers stressed the high costs of such an operation, of which the results would not have any legal force. Solidarity leader Marian Krzaklewski said that, while the issue was important, it was something which should be taken up by political forces in Poland.

Jaruzelski Charged With Suppressing 1970 Riots

AU2704192493 Warsaw PAP in English 1556 GMT 27 Apr 93

[Text] Warsaw, April 27—The Navy Prosecutor's Office in Gdynia has charged mastermind of martial law Wojciech Jaruzelski with suppressing the 1970 workers' protests.

The Prosecutor's Office accused Jaruzelski, the then defence minister, of organizing actions aimed at suppressing the 1970 protests of the coastal workers by orders of the then First Secretary of the Communist Party Wladyslaw Gomulka.

Jaruzelski did not plead guilty.

Press spokesman for the Main Military Prosecutor's Office Wlodzimierz Pospiech said today that Generals Edward Lancucki and Stanislaw Kruczek were also charged with participation in suppressing the 1970 protests, but they did not plead guilty.

The investigation into the 1970 events has been conducted by the Navy Prosecutor's Office in Gdynia since September 1990. The same charge of suppressing the protests was put forward against former Deputy Prime Minister Stanislaw Kociolek on April 14.

Iliescu Sends 'Warmest' Congratulations to Yeltsin

AU2804111793 Bucharest Radio Romania Network in Romanian 1000 GMT 28 Apr 93

[Text] Romanian President Ion Iliescu yesterday sent a message to Boris Yeltsin, president of the Russian Federation, conveying his warmest congratulations to him and the democratic forces in that federation on the successful completion of the recent referendum and its outcome. Despite the fact that the available results are merely preliminary, they show that the majority of the electorate clearly favors the continuation of the democratization and reform processes strongly marked by the personality and activity of the Russian president, the message says.

President Iliescu expressed his hope that this victory will be further strengthened and that the various political forces will cooperate and engage in a dialogue to eliminate the issues that have divided Russian society and to irreversibly direct the processes happening in Russia toward democracy and the establishing of the state of law and market economy.

President Iliescu wished President Yeltsin much success in his efforts to achieve those generous goals and to erect a democratic, free, and prosperous society in Russia.

President Iliescu expressed his hope that Romanian-Russian cooperation relations will be given a new impetus while reform and democracy is being strengthened in the two countries, which lies in the interest of both sides, as well as in that of stability and peace in our geographic area, the message concludes.

Iliescu Receives Council of Europe Delegation

AU2704182793 Bucharest ROMPRES in English 1648 GMT 27 Apr 93

[Text] Bucharest, ROMPRES, 27/4/1993—On April 27, Romania's President Ion Iliescu received at Cotroceni Palace the participants in the meeting of the Legal and Human Rights Commission of the Parliamentary Assembly of the Council of Europe, headed by Lord Kirkhill, Labor Party parliamentarian from Great Britain.

The interview proceeded in the context of Romania's interest to become member of the Council of Europe as soon as possible. The meeting of the commission in Bucharest was considered by President Ion Iliescu as a sign of interest of the Council of Europe in the evolutions occurring here.

Lord Kirkhill appreciated that the members of the Commission enjoyed the Romanian authorities' full cooperativeness as the schedule included all necessary and obviously desired meetings.

The interview was appreciated as positive by guests and hosts alike, at the end of the talks Lord Kirkhill said that they explained to the president that the visit in Bucharest was made in order to evaluate the possibility of Romania' becoming a full member of the Council of Europe. It was a frank exchange of views between the president and the members of the commission, stated Lord Kirkhill.

Gherman Opens Symposium on Social Democracy

AU2704143293 Bucharest ROMPRES in English 1255 GMT 27 Apr 93

[Text] Bucharest ROMPRES, 27/4/1993—"We, the FDSN [Democratic National Salvation Front], consider that social-democracy stands out as a viable political solution for Romania," said Oliviu Gherman, FDSN president, in opening the international symposium on "Social-Democracy in the Contemporary World," organized by the FDSN and the 21st Century Foundation.

The symposium that will span two days in Bucharest, will discuss social-democracy from the angle of tradition and contemporaneity, of the anti-crisis strategy, and of social protection in theory and political practice of the social-democratic parties, from the angle of the left's crisis but also form that of the perception of social-democracy in the formerly communist societies. The moderator of the debate, Ion Solcanu, FDSN vice president and president of the 21st Century Foundation, stressed that "the symposium is meant as a first step in the implementation of the social-democratic ideology and doctrine in the formerly totalitarian Romanian society." Oxford professor John R. Lucas suggested that the Romanians should find back in their own history the most suitable means to bring prosperity to this country.

Defense Ministry To Send Field Hospital to Somalia

AU2704072393 Bucharest EVENIMENTUL ZILEI in Romanian 22 Apr 93 p 8

[Radu Todor note: "Romania Will Send Only a Field Hospital to Somalia"]

[Text] According to military sources close to the cabinet of National Defense Minister Niculae Spiroiu, "the UN Security Council's request that Romania should send troops to Somalia cannot be met for the time being."

The main reason for this refusal is the insufficient training of Romanian soldiers for this type of mission. The Romanian Army is asking the North Atlantic Alliance and the West European Union for military assistance in training elite troops scheduled to participate in "peacekeeping" operations, in one or two years.

"We do not want to proceed like our Bulgarian colleagues did. They pledged to send troops and, lacking the necessary training, have already registered victims," the same source said.

For the time being, Romania's Ministry of National Defense can only send a field hospital like it did during the Gulf war.

Serbs Threaten To Attack UK Troops if NATO Strikes

LD2804090793 London PRESS ASSOCIATION in English 0846 GMT 28 Apr 93

[By Gavin Cordon, PRESS ASSOCIATION]

[Text] British troops in Bosnia have been told they will be shelled "immediately" if NATO carries out threatened air strikes against the Serbs, it was disclosed today.

Officers in charge of the Cheshire Regiment in Vitez, central Bosnia, were warned in a recent meeting with Serb commanders that their men would be in the firing line if NATO warplanes began bombing.

Major Brian Watters, second in command of the 1st Cheshire Regiment, told of the dramatic warning today on GMTV.

Speaking live by satellite from Vitez, he said that a local Serb commander had issued the threat at a head-to-head meeting behind Bosnian Serb lines two days ago.

"If one NATO bomb drops on his country, he said he will launch an attack immediately," said Major Watters.

"The Serb commander is in charge of artillery no more than 17 kilometres from where I'm standing, we are well within range.

"It is of considerable concern to us."

Major Watters' men have been involved in the harrowing task of recovering bodies of women and children massacred in surrounding villages.

"The worst thing is the frustration," said Major Watters. "We don't have the means or the mandate to stop this suffering."

Negotiating Process Expected To Continue

LD2704183993 Belgrade TANJUG in English 1459 GMT 27 Apr 93

["Pool" item; by Stevan Cordas]

[Text] Belgrade, April 27 (TANJUG)—After a great shock caused by the unanimous decision by the parliament of the Serb Republic in the former Yugoslav Republic of Yugoslavia not to sign the Vance-Owen peace plan for Bosnia before a referendum scheduled for May 15-16, first reactions by diplomats in Belgrade show that they expect the negotiating process to continue.

It is still not clear whether the process will continue within the framework of the London conference or a new round of talks would be organized in Athens, as proposed by Greek Prime Minister Konstandinos Mitsotakis.

Several facts are indicative of this. Firstly, Bosnian Serb leader Radovan Karadzic did not mention after the parliament session in Bijeljina on Sunday any intention to withdraw from the talks if United Nations Security Council Resolution 820 on tightening the existing and imposing new sanctions against Yugoslavia went into effect.

Another indication is the latest statement by German Foreign Minister Klaus Kinkel in which he urged for a resumption of the London conference, rather than for a military option.

Finally, although deeply disappointed by the decision of the Bosnian Serb Parliament, Lord David Owen did not resort to belligerent statements like before but instead spoke with reservation.

In any case, diplomats in Belgrade believe that a phase of major reconsideration is ahead.

The Bosnian Serbs will have an opportunity for this when they go to the referendum, which is to decide whether the Serb side will sign the Vance-Owen plan or not.

The international community seems to have started to reconsider its stands too. Regardless of continuing threats with military intervention, powerful Western countries realise that they are not capable of stopping the war in former Bosnia-Herzegovina and, on the other hand, feel reluctant to go to war.

Lord Owen has practically indicated the direction of the international community's reconsideration and offered some concessions to the Bosnian Serbs.

Opinions vary, however, on whether the proposed concessions would be sufficient to the Bosnian Serbs.

Nevertheless, Western powers will have to make new concessions if they want to end the Bosnian war.

In the United Nations, reconsideration is inevitable after the message by President of the Federal Republic of Yugoslavia Dobrica Cosic, Serbian President Slobodan Milosevic and Montenegrin President Momir Bulatovic to the Bosnian Serb parliament.

Diplomats expect that controversial U.N. Resolution 820 might be revoked if the Bosnian Serbs decide to accept the Vance-Owen plan.

The Federal Republic of Yugoslavia, which is in a highly delicate situation following the message sent to the Bosnian Serb parliament, can only wait now.

The question is whether the United Nations would also be ready to wait or whether it would decide to make certain moves before the referendum.

Motives, Consequences of Presidents' Letter Viewed

AU2704181393 Belgrade BORBA in Serbo-Croatian 27 Apr 93 p 8

[Article by Gordana Susa: "Cosic and Milosevic Are Not Enthusiastic About the Referendum?"]

[Text] What is behind the letter that the three presidents [Cosic, Milosevic, and Bulatovic] sent to the assembly of the Bosnian Serbs in Bijeljina? Will the world accept this letter as an honest attempt to reach a peaceful solution through political means, or as a maneuver concealing "a division of labor among the Serbs," designed to gain a little more time—this question has sparked off a lot of speculation.

Certain reports suggest that the letter was composed after day-long talks and dinner with Lord Owen in the small hours of Sunday [25 April] night. Presidents Cosic and Milosevic supposedly started composing the letter simultaneously, after which they apparently met and finished it together. Although some parts of the letter are redolent of Cosic's "hand," the overall style of the letter reminds one more of Milosevic's ways of expression. The letter was taken to Bijeljina in the middle of the night by Foreign Minister Vladislav Jovanovic, who first met with Karadzic in the office set up for this purpose, meaning behind closed doors.

Circles close to Milosevic, Cosic, and Bulatovic fear that this move by the three presidents will also be internationally misinterpreted. It is possible to conclude that the three presidents have chosen the lesser of two evils, because they believe that by signing the Vance-Owen plan they are leaving open the possibility of certain corrections and negotiations about the controversial territories. As an example, well-informed sources stress that even the most controversial corridor that runs through the third province, the Sava Basin, is not as controversial as it used to be, since 60-70 percent of the population there are Serbs. The war has left its mark, and the Serbs practically already control the corridor. Whether UN police from UNPROFOR [UN Protection Forces] will be deployed in this area, an issue which is currently crucial, is only a matter of wisdom and diplomacy, and not war.

Diplomatic circles stress that Cosic, Milosevic, and Bulatovic are less than "enthusiastic" about the announced referendum among the Bosnian Serbs, because they supposedly believe that not only will it not solve anything, but it will also result in the danger of disunity between those Serbs across the Drina River and proper Serbs [Srbijanci].

It is supposed that one of the consequences of the letter could be a sharpening of relations between Milosevic and Seselj, since the latter, together with Biljana Plavsic, significantly influenced the Bijeljina assembly and the Serbian public in Bosnia.

Everyone knows what Seselj thinks of President Cosic, and if there is any truth in this speculation, they are bound to surface soon after this letter. To a certain extent, this letter confirms the fact that the disputes between Cosic and Milosevic have significantly lessened, while some circles believe that this is the consequence of Yeltsin's increasingly likely victory in Russia and Milosevic's "retreat." Namely, the West has nothing against Serbia, not even greater Serbia for that matter, but it does have something against its "Bolshevik variant," which, or so it seemed at one point, could have been an important bastion for creating some kind of new camp or Eastern bloc by way of Romania and the Black Sea.

In any case, and despite the suspicions, the letter will bring some advantages in the world to the Cosic, Milosevic, Bulatovic trio, but according to how circles close to them see this, it will not remove the danger of military intervention, a thing they themselves think about constantly and intensively.

Bosnian Croats Reject Further Concessions

AU2704150093 Zagreb VECERNJI LIST in Serbo-Croatian 20 Apr 93 p 8

[Interview with Jadranko Prlic, president of the Croatian Defense Council of the Croatian community of Herzeg-Bosnia, by Zeljko Mihaljevic in Livno on 16 April: "No More Concessions"]

[Text] *Jadranko Prlic, president of the Croatian Defense Council of the Croatian community of Herzeg-Bosnia, visited Livno on Friday, so we took this opportunity to have a short interview.*

[Mihaljevic] Mr. Prlic, rumor has it that there could also be some changes in negotiations about the future structure of Bosnia-Herzegovina.

[Prlic] It is too early to speak about such changes because, for the time being, there are none. The third party should be forced to sign the Vance-Owen plan and any possible demands can be accepted only if the other two parties agree to them. The Muslims do not accept some of the Serbs' new demands so the talks may drag on for a couple of months, which is in nobody's interest.

[Mihaljevic] What are the new demands from the Serbian and Muslim sides?

[Prlic] The Serbian demands are not new and they concern territories as well. As far as the division lines between the Croats and the Serbs are concerned there should not be any serious problems because those demands do not require major changes. However, the Serbs demand less power for the central authorities and more power for the provincial ones, so as to find a way to connect all three Serbian provinces territorially as well, so that Bosnia- Herzegovina in practice becomes a confederation of three states—Croatian, Muslim, and Serbian.

As far as the Muslims are concerned, I really do not know what more they want, now that they have signed the peace plan. But the events in central Bosnia and other recent events clearly show that Izetbegovic's signature in New York is one thing, and that actions are another, especially when we talk about the Army of Bosnia-Herzegovina and the so-called Bosnia-Herzegovina Ministry of Internal Affairs, which, as we know, do not function in accordance with the Vance-Owen plan. As you know, Reginald Bartholomew visited the Defense Council of the Croatian community of Herzeg-Bosnia last week and emphasized the high level of cooperation on the Croatian side concerning the negotiations on future solutions in Bosnia-Herzegovina.

[Mihaljevic] Are there any indications that point to the replacement of the Croatian representatives in negotiations about the future structure of Bosnia-Herzegovina?

[Prlic] Yes. We have examined all the possible positions (should all three sides accept the Vance-Owen plan) that would be held by Croatian representatives both in the transitional presidency and the transitional government. I have sent a letter to warn our people working in Germany not to recognize the elected ambassadors, consuls, or other representatives in diplomatic and consular missions of Bosnia-Herzegovina. All the 36 ambassadors are Muslim, as if Bosnia-Herzegovina were not a country of Croatian people as well.

[Mihaljevic] Can Croatian representatives afford to make more concessions regarding the future structure of Bosnia-Herzegovina?

[Prlic] The Croatian people and the Croatian representatives have made enough concessions, so there should not be any more.

[Mihaljevic] We would like our readers to get a first-hand account of the unfortunate conflicts between the Army of Bosnia-Herzegovina and the Croatian Defense Council in central Bosnia.

[Prlic] The conflict was not between Muslim and Croatian people but was caused by extremist elements of the Army of Bosnia-Herzegovina. It refers, first of all, to Konjic and Zenica, while things have got worse in Vares and Zepce, too, and there was fighting in Vitez, Novi Travnik, and Travnik as well. It is, therefore, a global attempt to attack, in keeping with the well-known plan by individuals and groups that do not accept the Vance-Owen plan and consider Bosnia-Herzegovina to be an exclusively Muslim state. We definitely do not accept that. Our units and police forces are prepared to defend the Croatian people throughout Bosnia-Herzegovina and, regardless of the extent of these conflicts, the brutality of the attacks, and the size of the units that attacked the Croatian Defense Council, I am convinced that our units will successfully defend and protect the Croatian people. I hope that reason will prevail and the fighting stop, and I have to say that what is happening now is very serious and may have unforeseeable consequences on the general relations between the Muslims and the Croats in Bosnia-Herzegovina, thus influencing the future of Bosnia-Herzegovina as a whole.

[Mihaljevic] What is being done to prevent these conflicts?

[Prlic] It is difficult to prevent the conflicts since they have appeared in several places and it is difficult to neutralize their centers. But the orders to start the fighting and the war, which was actually initiated in central Bosnia, came from Sarajevo.

[Mihaljevic] What is the situation in Mostar?

[Prlic] There is a lot of tension in Mostar, too. However, Croatian Defense Council units and their police forces have the situation under control, so I do not think there will be any major problems.

Karadzic Blames U.S. for Continuing War

PM2704151693 Copenhagen BERLINGSKE TIDENDE SONDAG in Danish 25 Apr 93 (MAGASIN section) p 1

[Report on interview with Bosnian Serb leader Radovan Karadzic by Annelise Bistrup in Belgrade; date not given]

[Excerpt] [Passage omitted] It has been a long time since he "talked to a Dane," and if there is anything that the Bosnian psychiatrist, who is a specialist on paranoia, remembers with pleasure it is the month he spent at the hospital in Naestved as an exchange student. That was in 1970, when 25-year-old Radovan walked along Copenhagen's Stroget admiring the city's green roofs:

"I was a happy man then. I learned to play dice and to eat Danish blue cheese—now I can only get gorgonzola. I still dream about Denmark and its beautiful green roofs."

Unfortunately we had to point out to him that this love is not exactly reciprocated at the moment:

"Oh yes, now the Danes and everyone else hate us, even though I think that I have heard some more positive signals from your foreign minister in the past few days. He is not an advocate of bombing, is he?

"But when the catastrophe happens—and I am 70 percent certain that it will—world opinion will turn against our enemies.

"If you bomb us, it will be a moral catastrophe for you yourselves. And the world's peoples—and the Danish people - will send their leaders packing. I am ready. We are ready. The whole nation is with me!"

The whole nation? "Yes, there are perhaps some intellectuals who are against me. But they mean nothing, for they understand nothing."

Karadzic sends one of his bodyguards out to fetch the maps of the great game of war or peace in the Balkans. He spread them out and began to coach me on Serbian

and Muslim enclaves and to talk in percentages. This many Serbs, Croats, and Muslims per square kilometer. He knows every single village on these maps. He drew corridors on the table cloth and pulled out Lord Carrington's old peace plan. It is a map he likes much better than the one Lord Owen has drawn up.

"Carrington was a much wiser man. Owen has chosen sides. He is my enemy. And then the Americans say that I am a war criminal. I am a dissident. No, the United States bears the guilt for the fact that this war is continuing—and the EC led by Germany. It is your responsibility.

"I have not met President Clinton but I would say to him at this moment: Be as great a president as Abraham Lincoln. He knew that the peace after a civil war can only be won with shrewdness and sagacity, for in a civil war there is no one who is wholly white or wholly black.

"A civil war is cruel. But in this war the Muslims are cruelest. We have sent out pictures, documentation of their cruelties, but you will not use them because you do not want to believe us."

The British television company, the BBC, rings to get Karadzic to the studio—live, before he is to meet with Lord Owen:

"But they know my position. I and my parliament (the Bosnian Serbs' self-proclaimed parliament) will not accept Owen's proposals. Sometimes I think that I am working for the BBC. Soon I must ask to be put on their payroll."

Radovan Karadzic smiled. On the whole he smiles a lot.

"But not when I am negotiating. Then I am not friendly. Oh yes, the child in me can become angry and upset, but I never show my feelings. Nor do I use my knowledge of psychiatry when I find myself in a situation where both sides are under pressure. Psychology is not a good ally in political negotiations. In a crisis it is best to be cold and polite." [passage omitted]

UN Relief Convoy Shelled, Drivers Wounded

AU2704184493 Paris AFP in English 1839 GMT 27 Apr 93

[Text] Sarajevo, April 27 (AFP)—A British aid worker and a Bosnian driver were wounded Tuesday [27 April] when their relief convoy was shelled in central Bosnia, a spokesman for the U.N. High Commissioner for Refugees reported.

The UNHCR immediately suspended all convoys in the centre of the country.

Neither man's injuries were life-threatening, said spokesman John McMillan.

The Briton, Gerald Swallow, suffered light head wounds and stomach wounds, and the driver, Hykovic Nedin, was wounded in the stomach when the convoy was shelled three kilometres (about two miles) north of Visoko on the road to Zenica at 2:25 P.M. (1225 GMT), McMillan said.

Another truck in the convoy, which was returning empty from the northeastern town of Tuzla, was also damaged, he said.

"Both men are being treated at the Canadian Battalion hospital at Visoko."

McMillan said he did not know which force fired the shells.

The area has been the scene of savage fighting between Roman Catholic Croat forces and the mainly Moslem Bosnian Army since April 15, though the fighting is reported to have been considerably reduced over the past day or two, with political and military leaders trying to implement an agreed ceasefire.

Suspension of the convoys is likely to make food supplies critical in Sarajevo, where aid flights can only supply half the population's needs.

Bosnian Serb Leader Views Political Options

AU2804082093 Belgrade BORBA in Serbo-Croatian 23 Apr 93 p 5

[Interview with Nikola Koljevic, deputy president of the Serbian republic of Bosnia-Herzegovina, by Perica Vucinic; place and date not given: "'Realpolitik' Imposes a Step-by-Step Policy"]

[Text] "The international community treats the Serbs in the FRY, in the Krajina, and in Bosnia as a unit—the first are being punished, the second are being deprived of the right of self-determination, and the third are being offered unacceptable maps by which the continuity of Serbian territories is interrupted. It is a paradox that the international community blames and punishes the entire Serbian people for the wars in Bosnia-Herzegovina and in Croatia. This is the reason for our tragic position today—all the Serbs are in the same position, but we are not able to respond collectively because the international community divides us and discusses the problems with seperate parts," says Dr. Nikola Koljevic, deputy president of the Serbian republic of Bosnia-Herzegovina.

Regarding the position of the Bosnian Serbs, Koljevic said that NATO aircraft overflying Bosnia was the latest political pressure could cause a military intervention, but that there would not be intervention without provocation.

[Vucinic] Does it mean that there will be no peacekeeping move, that only bombardment can follow?

[Koljevic] Yes. It is possible either to bomb or to give up the Vance-Owen plan, which is also an important possibility. For more than a month now, there have been rumors that this plan is half-dead, but not to be abandoned yet.

[Vucinic] Are there good chances of overcoming the Vance-Owen plan?

[Koljevic] Doubtlessly. Many people in the world are aware that this plan is neither realistic nor feasible. Secondly, they know that its implementation would be very expensive. Nobody in the West, at least in the United States, is interested in financing an expensive plan, especially if it leaves behind unsolved political problems, as General MacKenzie has recently said.

[Vucinic] Are there any signals that the West is giving up this plan?

[Koljevic] Various signals are coming, and the West has a communications system with several channels and frequencies—through many people and many countries. The West's classic diplomatic game consists of casting roles in a way that is convenient for them. Owen was obliged to play a different role toward the Serbs than was Vance. The signals are coming, but it is difficult to say what is put into circulation as disinformation and what is real information. If a paper like THE NEW YORK TIMES, which leads a consistent campaign against the Serbs, writes that the Vance-Owen plan cannot be implemented, I think that this is a clear signal because something like that would not be in this paper unless the U.S. Administration had wanted it to be.

[Vucinic] However, the Serbs are short of time. To what extent are they themselves to be blamed for this situation?

[Koljevic] The question of guilt in a war is inappropriate. I had a private conversation with Izetbegovic on the first day of this war as well as with some Yugoslav Army officials, with the aim of stopping the war, but I concluded that Izetbegovic had his logic and that nobody could have stopped him once this avalanche had been set in motion. That is why I think that the question of quilt is inappropriate and that the Serbs, who were constantly giving in, created a situation in which they can be driven to the wall. Consider everything that we gave up in order to avoid the war. First, we were offered three constitutive states by the Lisbon paper, then three constitutive units in a federation, which we were also willing to accept, and therefore we also accepted the London negotiations on the multiethnic division. Then the maps appeared, which intersect Serbian territories quite illogically. I do not want to mention province number 6 which is a Serbian enclave. If the Serbs have been driven to the wall now, this has happened only because of our indulgence.

[Vucinic] Do you know what proposals Owen brought to Belgrade?

[Koljevic] No, but I think that he brought with him some concessions for the Serbs.

[Vucinic] What kind of concessions?

[Koljevic] I have my assumptions, but we shall know for sure in two days. It would not be good for us if we became only a corridor on this map and if all other things remained unchanged, because the concept of this map is bad. We were asked in New York to say what our priorities were, but we were not trapped by this proposal because it is impossible for us to set three or four priorities. If we had done so, it would have seemed that we are voracious.

[Vucinic] Are you going to surprise the international community?

[Koljevic] No, because there are four of five reasons we cannot approve the map if we want to retain a minimum of our interests.

[Vucinic] The negotiators and international public opinion are reproaching the Serbian negotiators for being stubborn.

[Koljevic] Yes. One of the characteristics of the new international order is that it is not an order but chaos. I was present at a CSCE conference, at which the disobedient were shouted at, and at which the U.S. ambassador left the session whenever he did not like something.... Within this context, there was also the aggression of the media, whose output, among other things, also talks of our stubbornness. When Vance and Owen say that the Serbian side is stubborn, it is only an allegation because the Serbs have reduced their requirements. If this is stubbornness—and I do not think it is—then we are stubborn.

[Vucinic] There is still Srebrenica....

[Koljevic] It has been proven that Srebrenica was unnecessary, but in a war you cannot control everything, especially not in a civil war. You have to know that the Muslim offensive, in which over 1,300 Serbs were killed, lasted there for two months. In such a situation, a military counteroffensive is a normal thing, the people were mOtivated by slain relatives or neighbors.

Again, people are being taken in by something that was served up by the mass media. Can you remember that, at the beginning of the war, Sarajevo was the town on which the attention of the mass media was focused for the purpose of a media attack on the Serbs? After that came Gorazde, and now Srebrenica. These three points were used in a strong media offensive, which could be used as a pretext for military intervention. Why is the attention not now focused on the conflicts between the Croats and the Muslims?

[Vucinic] Let me mention one more of the comments—that the Bosnian Serbs are not radical enough and that they are making "too short steps," for example in the unification of the Serbian republic of Bosnia-Herzegovina and the republic of Serbian Krajina.

[Koljevic] A quick unification would not be good "realpolitik." It has been clear from the beginning, and it was best proven by Prevlaka in Croatia, that the West is not ready to accept any change of the present borders, except by agreement, and Croatia is recognized as a sovereign

state. It would be a diplomatic blunder to go against the whole world, which is already against us, it would be adding fuel to the flames.

On the other hand, the response of my people to it shows that we are weak, that we like pompous names much more than to work efficiently on proper issues. It is necessary that we unite our institutions—first to have a common dictionary, to have common textbooks, a common information network.... If we achieve all this, if we unite our economies and introduce a common system of payment, as the Croats have, nobody will be able to separate us. This is the source of our power and these are our chances. Sooner or later, the Serbs will be in a political union which will be strong enough to enable them to exist as a people.

[Vucinic] What can be achieved internationally by the announced joint assembly of the Serbian republic of Bosnia-Herzegovina and the republic of Serbian Krajina?

[Koljevic] It is a clear sign that the republic of Serbian Krajina is not abandoned, and that the Serbs will persevere in their political struggle for the Serbian territories in the extreme west. This sign could be interesting because of something we have been offering Vance and Owen from the very beginning of the peace conference—negotiations between the representatives of the Serbs and the Croats with the aims of solving the joint territorial problems and offering autonomy to the Muslims—a federate or a confederate union with either Croatia or Yugoslavia—that is to say an agreement that would resolve the Yugoslav crisis and lead to political stability.

[Vucinic] You mean that this would create more room for maneuver?

[Koljevic] Yes. It is easier for all parties to make territorial concessions within a Serbian area than within a republic.

[Vucinic] Have the Republics of Serbia and Croatia decided to participate in these negotiations?

[Koljevic] We have made such a suggestion, but I do not know whether the two republics have done something about it. I can say that we are now closer to this possibility because Croatia must have understood by now that it will not get the republic of Serbian Krajina served up on a silver platter now and still have any possibility of getting as much as possible of Bosnia by bargaining for it later.

[Vucinic] What kind of concessions could be made?

[Koljevic] I would not like to speak about it. This would diminish our diplomatic and political space, but I think that everybody can imagine what kind of concessions these would be.

[Vucinic] The Serbian republic of Bosnia-Herzegovina announced one more step toward unification—an all-Serbian assembly. What does Serbia think about it?

[Koljevic] We have offered this and I think that it would be very good if we had an assembly of all parliamentary leaders in order to hear what the other Serbs think about the Vance plan for Croatia and the Vance-Owen plan for Bosnia-Herzegovina. Serbia is relatively reserved, which I explain by the international situation. They think that such a move would represent a danger to the interests of Yugoslavia.

[Vucinic] In the end, what do you think is more probable—military intervention or a shift in international policy?

[Koljevic] The only answer can be that any prognosis is superfluous. Impossible.

[Box, p 5] I Did Not Say That the Serbs Would Start a War [subhead]

BORBA wrote that I said to its reporter Curuvija in London that if Bosnia-Herzegovina was internationally recognized, the Serbs would be forced to start a war. Regarding that I have to say that I did not say that the Serbs would start the war. If I had said a thing like that, the Serbs would not have been surprised by the war.

There is one thing about this war that people keep on forgetting—that the Muslims from Croatia and other countries were drawn into the war. Take for example Mesic's statements 10 months before the war in Bosnia-Herzegovina started. He announced the war, it was a provocation. After that the Muslims were admitted into the Croatian Army, Muslim policemen were educated in Croatia.... Then, the war began with the victims of Sijekovac and the massacre in Kupres, committed by Croats.

[Box, p 5]

Insincere Coalition

As far as the Croatian-Muslim conflicts are concerned, it can be said that this is an inconsistent and insincere coalition. The Vance-Owen plan or, to be more precise, the provinces of Travnik and Mostar were the direct cause of the war because both the Croats and the Muslims were told that everything there belonged to them. An ambiguous possibility remained open—that both the Croatian Defense Council and the Army of Bosnia-Herzegovina withdraw from both these provinces.

Serb Army Protests VOA 'Tendentious' Reporting

LD2704201493 Belgrade TANJUG Domestic Service in Serbo-Croatian 1835 GMT 27 Apr 93

[Text] Belgrade, 27 Apr (TANJUG)—The general Staff of the army of the Serb Republic [in Bosnia-Herzegovina] today lodged a sharp protest with the UN Protection Force [UNPROFOR] command in Zagreb and UNPROFOR Commander for former Yugoslavia General Lars Eric Wahlgren over their silent approval of

tendentious and malicious reporting by certain media about the situation in Srebrenica, SRNA has reported.

The army leadership of the Serb Republic says that in a report today the Voice of America said that the Serbs from the Serb Republic have been putting increasing pressure on the UNPROFOR command to withdraw its Canadian soldiers from Srebrenica. Apart from that, foreign media have been broadcasting untruths on alleged attacks by the forces of the Serb Republic on the wider area of Srebrenica; these media have been greatly assisted in this respect by UNPROFOR forces in Srebrenica, who remained silent about what the real situation in this town is like.

On 26 April, the letter of protest says, we informed UNPROFOR representatives and General Wahlgren that we have agreed to the deployment of two more platoons of the Canadian UNPROFOR battalion in the region of Srebreica and their monitoring of the demarcation line between the warring sides.

In order to resolve the daily needs of the civilian population in Srebrenica, we have also allowed UNPROFOR representatives to repair the water supply lines, and humanitarian convoys, after we have searched them, to pass to Srebrenica unhindered.

In conclusion, the letter demands that, with a view to maintaining the cease-fire, General Wahlgren inform the world public about the real situation in Srebrenica and thus deny tendentious and malicious reports by foreign journalists.

Croats Expelled From Banja Luka Region

LD2704141793 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 27 Apr 93

[Text] On the highway near the village of Dragalic, near Nova Gradiska, a group of 69 Croats were expelled today from the Banja Luka region to Croatia in the presence of Red Cross representatives from Nova Gradiska and Bosanska Gradiska. Most of those expelled from the villages of Micije, Donja Dolina, Trnova, (Jablana Cesma), Kozarac, and Bosanska Gradiska will stay in Croatia, while a small group will go to West European countries. Entire families have been expelled. Some of them managed to swap houses. Croats from the village of Micije under Mount Kozara have nowhere to go, and they will therefore be taken in by the Nova Gradiska Red Cross.

Expelled Croats have run away from Serb terror. Bombs are thrown into Croatian and Muslim homes in the Banja Luka region and people are openly threatened with death unless they leave Bosnia. The expelled Croats managed to take personal belongings with them, but Serb police confiscated their foreign currency in Bosanska Gradiska under the pretext that they did not have documents proving the origin of the currency. Before that they were charged 100 German marks each for transportation to Croatia.

The Croatian Red Cross allowed 11 Serbs from Nova Gradiska, Pozega, and Slavonski Brod, who expressed a wish to leave Croatia, to go Bosnia.

Muslims Attack Busovaca Area; HVO Responds

LD2804115093 Zagreb Radio Croatia Network in Serbo-Croatian 1000 GMT 28 Apr 93

[Text] Muslim units launched a fresh attack on the Busovaca area at 0400 today, the strongest attacks being launched on the villages of Kaonik, Hrasno, Grabice, Bakije, and Gradinac. The Muslims are attacking from the direction of Medan, Sudine, and Kuber, with strong artillery support. Shells are falling on the center of Busovaca.

The Croatian Defense Council [HVO] responded to the attacks. The fighting is still in progress, HINA learns from the information department of the Croatian community of Herceg-Bosna.

Muslims Attack Croatian Village Near Konjic

LD2804092093 Zagreb Radio Croatia Network in Serbo-Croatian 0900 GMT 28 Apr 93

[Text] The news from Konjic is that Muslim extremists, led by mojahedin from Arab countries, launched an attack on the Croatian village of Vrci again this morning. The shelling of the village was followed by a strong infantry attack. This has been repeated three to four times every day since the cease-fire came into effect.

HVO, 'Chetniks' Reportedly Cooperating in Konjic

AU2704160493

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1300 GMT on 27 April carries in its regular 40-minute newscast several reports on relations between the Croatian Defense Council [HVO] and the Bosnia-Herzegovina Army in central Bosnia and Herzegovina.

Borka Rudic reports from Konjic that "the Chetniks from Bijela and Borci intensely shelled the Bosnia-Herzegovina Army defense lines and the town itself. The Operative Group Northern Herzegovina says that cooperation between the HVO and the Chetniks has been confirmed since, during yesterday's attack, the HVO guided the howitzers with which the Chetniks were firing at the town's center. Konjic is in a complete blockade, according to the same source, as the HVO snipers are keeping a close watch on the Konjic-Jablanica road."

The 44th Hill Brigade reports from Jablanica that "this morning started with antiaircraft gun and machine gun fire at the defense positions. The snipers are also very active. The HVO is not observing the cease-fire. The fate of the people of (?Kovic) is still unknown. They have been in a total blockade for 11 days now."

The Mostar Press Center reports that "Prime Minister Mile Akmadzic and Presidency member Franjo Boras held talks today with members of the coordinating commission that was formed at the latest agreement in Zagreb. They expressed their conviction that the Zagreb agreement will be carried out. The coordination commission will work on implementing of the Vance-Owen plan. According to Mile Akmadzic, the newly formed coordinating body should play the role of the Supreme Command instead of the Bosnia-Herzegovina Presidency, as has been the case so far. Akmadzic and Boras said that individual incidents should be seen as acts by the extremists that exist both in the HVO and the Bosnia-Herzegovina Army. They do not reflect the policy of the Croatian and Muslim leadership."

Muslim Attack on Bosnian Serbs in Foca Area

LD2704215993 Belgrade TANJUG in English 2120 GMT 27 Apr 93

[Text] Bileca, April 27 (TANJUG)—A Bosnian Serb trooper was killed and three were wounded in a fierce Moslem artillery shelling of the area of Foca in the southeast of war-wracked Bosnia-Herzegovina, the Bosnian Serb Army Command in Herzegovina said on Tuesday.

The source said that hundreds of shells had hit the villages of Kacelje, Ruda Brda, Mirkovica and Previla in the Foca area since the attack began on Tuesday morning.

Bosnian Serb troops have returned fire. The front line has not been changed in the fighting, which is still raging.

Bosnian Moslems, Serbs and Croats have been fighting an ethnic war for more than a year.

Failure of 'Muslim' Attack on Doboj Reported

AU2704164593

[Editorial Report] Belgrade Radio Beograd Network in Serbo-Croatian at 1300 GMT in its regular 46-minute newscast carries several reports on the fighting in Bosnia-Herzegovina.

Nedjo Djurovic reports on the situation in the Brcko region saying that "at about 0600 [0400 GMT] this morning, Muslim forces began a fierce artillery and infantry attack from Begovaca, Brod, and Bukovac, to the south-east of Brcko, against Serbian positions in Suljagica Sokak, Dizdarusa, and Lukici. About 15 shells of various calibers were launched at the town itself and 11 civilians; mainly women and children were wounded. The Serbian side was forced to respond to these attacks, which were the strongest since the signing of the latest cease-fire. As I report, and it is about 1400 at the moment, battles are still under way and, as the town is being shelled, the civilian population has been in shelters since this morning."

Vlado Trisic reports from Majevica that "there is no peace in the Majevica sector today. On several occasions today, Muslim forces fired 82-mm and 120-mm mortars from Celici, Brnik, Obor, and their other strongholds in the northern part of the Lopare Commune at the Serbian villages of Lukavica, Mirosavci, and Brusnica."

Zoran Grgurovic reports that a Muslim army offensive against Doboj "has been stopped and, according to reports from the front, completely crushed today. A large subversive terrorist group was discovered in the region of Tockovi and destroyed in time, so the town of Doboj is safe."

Drago Todorovic, reporting from Foca, quotes Milko Bozovic, a Serbian colonel in Foca, as saying that "four Serbian fighters were killed and several wounded by Muslim shells fired from their strongholds in Orahovica, Borovac, and Grebak" and that "in counterattacks today, Serbian artillery completely destroyed three Muslim strongholds along roads leading to Gorazde."

Serbs Launch 'Massive' Attacks on Muslims

AU2704155093 Paris AFP in English 1546 GMT 27 Apr 93

[Text] Sarajevo, April 27 (AFP)—Bosnian army commanders reported Serb troops launching massive attacks on Moslem enclaves in eastern Bosnia after moving out from their positions around the demilitarised eastern town of Srebrenica.

Their reports were coming into Sarajevo as the U.N. Protection Force reported that Serb forces had crossed from Croatia into northwestern Bosnia-Herzegovina and were heading toward the Moslem town of Bihac.

The reports from the east—relayed by radio operators and reported by Radio Sarajevo—said the town of Gorazde, swollen with refugees and short of food, had been under artillery fire since the morning, along with nearby Moslem villages and defence lines of the Bosnian army, which is mainly Moslem.

Ten civilians were reported killed in Gorazde, and "many" wounded.

Serb troops from around Srebrenica also attacked Moslem villages and Bosnian lines near northeastern Brcko, which is held by the Serbs, the reports said.

The Moslem town of Gradacac, about 35 kilometres (20 miles) southwest of Brcko, had been under artillery bombardment since 4:30 A.M. (0230 GMT).

The Serbs launched infantry assaults against Bosnian lines there, the reports said, adding that the infantry attacks had been repulsed.

The Serbs had fired more than 1,000 shells in the area by 11:00 A.M. (0900 GMT), the reports said.

The Serbs were also reported to be attacking near the big northeastern town of Tuzla, where thousands of refugees from Srebrenica have been evacuated.

In Sarajevo, small-arms duelling was going on, and shells were crashing down spasmodically on one central area during the afternoon.

A nationwide ceasefire agreed March 28 had reduced fighting on most Serb-Bosnian army fronts.

The reports of the upsurge in fighting came after tightened U.N. sanctions against rump Yugoslavia, Serbia and Montenegro, came into force on Tuesday [27 April] at 0400 GMT.

More on Serbian Attacks on Muslims

AU2704161993 Paris AFP in English 1610 GMT 27 Apr 93

[Text] Sarajevo, April 27 (AFP)—The Serbs have heavy troop concentrations in the east, which adjoins the rump Yugoslavia of Serbia and Montenegro.

They control most of the east after having driven Moslems out of their villages into a few towns that have become virtual refugee camps, where the people are desperately short of food, water and medical supplies.

Some aid convoys get through, but the Serbs block many others.

The reports said the Serb troops from around Srebrenica were attacking Gorazde and around Brcko.

The radio operator in Gorazde said it was feared there that a new offensive had begun.

Near Tuzla, the reports said, the Serbs launched an artillery attack on the village of Celic and the area around the village of Srebrenik.

Serb infantrymen were reported to have attacked Bosnian Army positions near the Serb-held town of Doboj, south-west of Gradacac.

Fighting between Bosnian army troops and Croat forces was meanwhile reported to be continuing in central Bosnia-Hercegovina, despite a ceasefire, but at a relatively low level.

The radio carried a report that Croats were directing Serb artillery fire on the centre of the town of Konjic, near the strategic crossroads centre of Jablanica.

Shelling of Olovo Reportedly Resumed

AU2804110093 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1000 GMT 28 Apr 93

[Velid Djindo report from Olovo]

[Text] A fresh fierce artillery attack started at Olovo at 0850 [0650 GMT]. Some 10 heavy missiles landed in the town center one after another. At the time of sending this dispatch the explosions of the largest howitzer bombs continue to echo through the town. The lines held by the fighters of the Bosnia-Herzegovina Army and the Croatian Defense Council are firm and unchanged.

'Bloody Clashes' Reported at Brcko

LD2704212393 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 27 Apr 93

[Excerpts] Day-long clashes on the Brcko battlefield are continuing into the night, the Brcko municipality press center reports.

[Reporter] By fiercely pounding the defense lines and launching combined infantry-artillery attacks, Chetniks have been incessantly trying to breach the walls of the Brcko fortress and to take the free Brcko territory from early this morning. Bloody clashes have been under way for 16 hours.

The legendary 108th Mechanized Brcko Brigade has consolidated its positions and is still successfully resisting the chetnik assaults. Four heroes of the Brcko Brigade—which is defending the free Brcko territory, defending its homeland from the expansion of the greater Serbian evil called a corridor—were killed and nine wounded.

So far, 27 Chetniks have been killed, and we have lost count of their wounded. Among the dead is a young Serb from Vukovar just 18 years old. [passage omitted]

We have just received news from Lipovac that a second Chetnik tank with its crew has been destroyed today. [passage indistinct]

According to available information, five civilians have been killed and (?16) wounded from [words indistinct] on the free Brcko territory. Among the killed are two children. [passage indistinct]

'Over 2,500 Shells' Land on Gradacac; Brcko Attacked

AU2704190693

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1700 GMT on 27 April carries in its regular 33-minute newscast several reports on fighting in the republic.

The Gradacac Information Center reports that "the attack started on the western part of the front in Zelinja Srednja, Rajska, Novalici, and Vida and then spread along the entire frontline. Gradacac is burning. Howitzers (150 mm) from Turic, Modrica, and Skugric are pounding the city, as well as Mionica, Zelinja, and (?Crnice). Tanks, Praga, antiaircraft guns, and machine guns from Vis are firing at (?Skorici), Mionica, and (?Bordale). Recoilless guns from Krecane Gornje are shelling the streets in the city and also the roads to Gradacac. The intensity of the demented Chetnik attacks is reminiscent of the long, hot summer of 1992.

Over 2,500 shells of all calibers have landed on the city, but since the shelling is still continuing this number is only transient information."

Reporting from Olovo, Velid Djindo says that "the aggressor from his well-known stronghold unleashed his heavy artillery at the center of the commune and the surrounding villages, firing dozens of destructive shells. The enemy shelled the defense positions several times today, and used antiaircraft guns and machine guns at civilian targets."

The Brcko Press Center reports that "the 65-km-long defense line has been under a heavy artillery attack for 12 hours now. Since 6:50 [not further specified] the Chetniks have been trying to break through to the Lipovac area with tanks and infantry with strong support from howitzers and mortars. The poorly armed Brcko fighters are resisting the Chetnik assault with superhuman efforts. Over 20 Chetniks have already been killed, while the number of wounded is estimated to be about 30. The members of the 108th Motorized Brigade in Lipovac have destroyed one enemy tank with its crew. However, the aggressor is not giving up. The fierce battles in Lipovac are entering their 13th hour."

In his report from Tuzla, Salih Brkic says that "several towns in the Tuzla commune have today been exposed to heavy shelling and attacks, particularly Kalesija, Celic, and Srebrenik. The Chetniks have been using 155-mm howitzers, mortars, and tanks against Celic, Brnjik, Satorovici, and Ratkovici. The wider area of Srebrenik was shelled from the Chetnik stronghold in Porebrice. The Mount Majevica front near Tuzla has been somewhat quieter, but enemy regrouping has been registered."

The Second Operative Group Information Service reports from Gracanica that "the fierce enemy attacks that started at 1100 [0900 GMT] at (?Hodzici) and (?Kokosnica) and the defense lines of the 109th Brigade are still continuing. Over 800 shells have landed so far. The Chetniks have attempted two infantry breakthroughs, but both were repelled. They have also tried infiltrating sabotage groups. However, the group was effectively smashed, and over 30 Chetniks were killed. A truck load of Chetniks that was just bringing in reinforcements was also destroyed."

Semso Tucakovic reports from Gorazde on a poor line that "the Chetniks have continued to shell the free territory of Foca and Kalinovik."

The studio announcer sums up the situation in Sarajevo by saying that there have been "sporadic small arms provocations and occasional shells. Just half an hour ago, the Chetniks fired from a tank at Kosevo Hill and killed three children."

Radio Reports Tank Attacks on Gradacac

AU2804091993 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0800 GMT 28 Apr 93

[Report by Information Service of Gradacac War Presidency]

[Excerpt] [Passage omitted] This morning brings a new attack. The mortars from Skugric, Gornje Krecane, and Vis are attacking all the defense lines, the town, and its suburbs. The industrial zone is practically in flames, howitzers from Borovo Polje have shelled the already destroyed assembly halls of Gradacac industrial plants with inflammable projectiles, so that this part of town is enveloped in smoke and flames. According to information, this morning the free territory of Gradacac is being stormed by seven tanks and an enormous number of arms from all Chetnik strongholds. Targets consist of vital buildings, civilian buildings, crossroads, and roads. At the time of this report, shells from Turic are destroying Mionica. Defense lines have not been threatened at any moment, but the shelling continues with unabated intensity.

Fighting in Central Bosnia; Bihac Region Quiet

AU2804110393 Paris AFP in English 1022 GMT 28 Apr 93

[Text] Zagreb, April 28 (AFP)—Heavy fighting broke out anew between Croatian and Moslem forces on Wednesday around Busovaca in central Bosnia-Hercegovina, a U.N. spokesman at Vitez, 10 kilometres (six miles) farther north said.

The clashes apparently begun when Moslem forces attacked villages in the region 40 kilometres (25 miles) northwest of Sarajevo, the spokesman for the British battallion in the U.N. Protection Force (UNPROFOR) said.

Bosnian troops "should have withdrawn to Zenica (10 kilometres east of Vitez) from the line Vitez-Busovaca," he said. "They did withdraw, but it seems they came back and started to attack Busovaca from the eastern side."

On Wednesday morning, "we sent our patrols in the area to see what is happening," he added.

A UNPROFOR spokesman in Zagreb meanwhile reported a lull in fighting in Bosnia's northwest Bihac region, where the Bosnian army said it had killed about 50 Serb militiamen on Tuesday.

"We don't have any reports of shellings in Bihac and other towns," the spokesman said, a day after Serbs attacking from across the Croatian border seized three villages.

Bosnian military authorities said Wednesday that Bosnian troops had killed some 50 "Chetniks" (Serb

militiamen) and destroyed "an enemy tank and armoured vehicle," the official Croatian Hina news agency reported.

Twenty-two members of the Moslem-majority Bosnian army had been wounded, the military statement added.

"Since yesterday, Serbian positions haven't changed," the UNPROFOR spokesman said. "We had no reports on any counter-attack."

He was unable to give details of casualties in the fighting Tuesday, when he said between 100 and 150 Serbian fighters took the villages of Bursaci, Gradina and Radici, 45 kilometres (28 miles) north of Bihac, and "met not much Moslem resistance."

The UNPROFOR commander in former Yugoslavia, General Lars-Eric Wahlgren, on Tuesday said in Belgrade that he had ordered his troops to prevent any human rights violations in the Bihac enclave and to use force if they were forcibly opposed.

The spokesman here said he was awaiting official instructions from the United Nations at top level, with regard to the mandate of the U.N. troops.

In the Bihac region, 1,350 French U.N. troops are overseeing convoys ferrying relief to some 300,000 mainly Moslem civilians, surrounded by Serb forces.

Bihac Area Attacked From UN-Protected Area

LD2704215293 Belgrade TANJUG in English 2106 GMT 27 Apr 93

["Pool" item]

[Text] Belgrade, April 27 (TANJUG)—The commander of the U.N. Protection Force (UNPROFOR) in former Yugoslavia, Swedish General Lars-Eric Wahlgren, said on Tuesday morning that about one thousand troops had penetrated into the Bihac pocket in western Bosnia from the neighbouring U.N.-protected Republic of Serb Krajina (R.S.K.).

The attackers came from the area controlled by the Danish battalion of UNPROFOR in the R.S.K.

However, REUTERS quotes an UNPROFOR spokesman in Zagreb as revising the original figure of 1,000 attackers down to between 100 and 150.

Gen. Wahlgren told a press conference in Belgrade he could not say with any degree of certainty whether the attack [words indistinct] members of either the Army of the R.S.K. or the Bosnian Serb republic.

The Bosnian Serb Army Command said on Tuesday the "provocative attacks were carried out by an unorganised group of men," and dissociated itself from the attackers.

Gen. Wahlgren said UNPROFOR had on Monday night informed the military authorities in the R.S.K. capital of Knin of a build-up to the north of the Bihac pocket of around 1,000 troops which on Monday carried out the raid with the support of artillery and ten tanks, and explained that R.S.K. Army commander Gen. Mile Novakovic had told him on Tuesday he did not know what was happening in the area.

Gen. Wahlgren said he had met on Tuesday also with Yugoslav President Dobrica Cosic, whose military advisor could not explain what was happening, either.

Bihac is monitored by the French battalion of UNPROFOR, whose troops have orders to use force in necessary to protect the civilians in the area, said Gen. Wahlgren.

UNPROFOR's civil affairs coordinator Cedric Thornberry said that the size of the attacking force was not sufficient to take control of the Bihac pocket, and could "not rule out the possibility it was a local, crazy initative."

Thornberry said that any military intervention in war-wracked Bosnia-Herzegovina needed to be approved by the U.N. Security Council which would bear in mind the fact that considerable U.N. troops were present in the territory.

Gen. Wahlgren said that, if one or more states should take a lone hand and try to intervene in Bosnia-Herzegovina from the air without U.N. approval, NATO planes would intercept and escort them out of the no-fly zone.

NATO planes began patrolling the air over Bosnia on April 12, under the U.N. Security Council's [words indistinct].

French Colonel Says Bihac Fighting 'Localized'

LD2704192593 Paris France-Inter Radio Network in French 1800 GMT 27 Apr 93

[Text] Francois Rivaud of Radio France Limoges has managed to get through to Colonel Robert Bresse, commander of the UN Protection Force battalion in Bihac, who is also commander of the 126th Brives Infantry Regiment, and who has been in Bosnia for the last six months. He went to the area concerned this afternoon and he is categorical: For now the fighting is only local. Colonel Bresse:

[begin recording] In this country, there is always a risk, you know, in that an ordinary local clash, what I would describe as a bar-room brawl, can degenerate if the two sides, the commanders, let themselves be carried away—it can degenerate into a general conflagration. For now, what we have seen today is no more than a localized attack. Its objectives are either to calm some hotheads, or more probably to occupy this little salient, which was populated by Serbs. We were concerned that this might be the beginning of a general attack, but all our convoys were able to get around very freely and without any problem. I would call this for now a rectification of borders. [end recording]

French Blue Berets Will Attempt To Reach Bihac

LD2804121593 Paris France-2 Television Network in French 1100 GMT 28 Apr 93

[Text] In Bosnia, the Serbs have responded to UN sanctions with another attack against the Muslim pocket of Bihac, where about 300,000 people—300,000 refugees—live. French blue berets will try to go to the scene today.

At least three are dead and 30 have been wounded, according to a French military source. Serb forces took control of three villages yesterday. Calm reigned during the night, and this morning the situation has not changed. However, the Serbs are increasing the tension in the center of Bosnia. They are threatening to bomb British UNPROFOR [UN Protection Force] soldiers in the event of a NATO attack against their positions.

Army Chief Sets Date for Srebrenica Demilitarization

LD2704142393 Belgrade TANJUG in English 1359 GMT 27 Apr 93

["Pool" item]

[Text] Pale, April 27 (TANJUG)—Chief-of-Staff of the Army of the Serb Republic in the former Yugoslav Republic of Bosnia-Herzegovina, Major-General Manojlo Milovanovic on Tuesday asked commander of the United Nations Protection Force (UNPROFOR) for former Yugoslavia Lars-Eric Wahlgren to complete by May 7 the disarming of Muslims in Srebrenica, a U.N.-protected Muslim enclave in Serb-controlled eastern Bosnia.

In a letter to General Wahlgen, General Milovanovic asked that all imprisoned Serbs be exchanged before that date and the bodies of killed Serb fighters delivered.

These obligations are contained in an agreement on a demilitarization of Srebrenica signed by Bosnian Serb army commander General Ratko Mladic and Muslim commander Sefer Halilovic.

Expressing confidence that the agreement would be fully respected, General Milovanovic warned that, if this is done [as received], he would be forced to discontinue the delivery all aid and supplies for UNPROFOR and the population of Srebrenica.

UNPROFOR first announced that the demilitarization of Srebrenica has completed but, after the Serb side proved the contrary, it admitted that the process of disarmament was still under way.

Last week, the Bosnian Serb army command accused UNPROFOR and Muslims in Srebrenica of having violated the agreement because the Muslims had handed to UNPROFOR only 30 of around 17,000 up-to-date pieces of arms of various calibres and a symbolic quantity of small arms, whish are mostly out of date or out of order.

UNPROFOR official in Sarajevo Barry Frewer has confirmed that many Muslim fighters have disappeared from Srebrenica and that they are believed to be in forests and mountains around the town.

REUTER news agency has put the figure of Muslim fighters in forests around Srebrenica to 7,000.

Over the past few months, Muslims from Srebrenica razed 56 Serb villages in eastern Bosnia and killed around 1,300 Serbs, mostly civilians. The Serb side has therefore insisted on their disarming.

President of the Serb Republic Radovan Karadzic on Monday agreed with former UNPROFOR commander for Bosnia-Herzegovina General Lewis Mackenzie of Canada that another two Canadian platoons be deployed along the line of contact between the warring sides in the area of Srebrenica.

Karadzic also informed Mackenzie that Muslim forces were planning to attack Srebrenica and again shift the blame to the Serb side.

Canadian Reinforcements on Way to Srebrenica

AU2804085493 Paris AFP in English 0703 GMT 28 Apr 93

[Text] Sarajevo, April 28 (AFP)—Two platoons of Canadian infantrymen, plus some engineers, made it from the northeastern town of Tuzla to 10 kilometres (six miles) from their destination of Srebrenica Tuesday night, the U.N. Protection Force (UNPROFOR) reported Wednesday.

The 68 men, trying to reinforce a 145-strong Canadian U.N. company in the demilitarised eastern town, had been turned back every day previously since April 19 by Serb troops at the frontline village of Caparde, about one-quarter of the way from Tuzla to Srebrenica.

UNPROFOR spokesman Barry Frewer said the reinforcements arrived at Bratunac, which is held by the Serbs, at 10:25 p.m. (2025 GMT) Tuesday and would continue on toward Srebrenica Wednesday.

Canadian General Lewis MacKenzie, former UNPROFOR Bosnia- Hercegovina commander, reported Monday that Bosnian Serb political leader Radovan Karadzic had assured him during a private meeting in Belgrade that the reinforcements would be allowed to reach Srebrenica, a Moslem town holding some 30,000 civilians.

The Canadian troops already there have been collecting and destroying weapons of the Bosnian army defenders under a ceasefire and demilitarisation agreement signed April 18.

Serb gunners ringing the town remained in place, but some were reported Tuesday to have moved out to engage Bosnian army troops aqround the northern town of Brcko, held by the Serbs, and the eastern Moslem enclave of Gorazde, which Radio Sarajevo said came under heavy shelling.

Commander Frewer said fighting between Moslems and Roman Catholic Croats was continuing in central Bosnia-Hercegovina despite a ceasefire agreement.

No reports were available in Sarajevo early Wednesday on the fighting in the east, reported to be heavy Tuesday, or in the northwestern Bihac pocket, where a Serb column penetrated Tuesday from an adjoining Serb-held area of Croatia officially under U.N. control.

Sarajevo, besieged by Serb gunners, appeared calm Wednesday morning.

Serbs Permit Restoration of Srebrenica Water Supply

LD2704143393 Belgrade TANJUG in English 1408 GMT 27 Apr 93

["Pool" item]

[Text] Zvornik, April 27 (TANJUG) - A 13-truck humanitarian convoy of the U.N. High Commissioner for Refugees (UNHCR) on Tuesday afternoon left for Tuzla through the Serb-held territory, after a regular check in Zvornik.

Zvornik is a Serb-controlled town in eastern Bosnia-Herzegovina, and the northeastern Bosnian town of Tuzla is held by the Muslims.

Another 16 trucks left for Tuzla on Monday, through the territory of the Serb Republic in Bosnia-Herzegovina, and 13 trucks with relief supplies arrived in Srebrenica over the past two days.

All humanitarian deliveries for Muslims and Croats have so far passed safely through the territory of the Serb Republic.

Deputy Commander of the Bosnian Serb Army Gen. Manojlo Milovanovic told TANJUG on Tuesday the Bosnian Serbs would enable that water supplies in Srebrenica be restored, on condition that the repair works be done by UNPROFOR members.

Muslim armed formations have for months kept the Serb-controlled Bratunac in eastern Bosnia without water, and the western media showed no interest in this, Serb military sources said. Such attitude only confirms that double standards are still being applied, always to the detriment of the Serbian people and regardless of the facts, they added.

Fierce Clashes Reported in Serb Krajina

LD2704172693 Belgrade TANJUG in English 1607 GMT 27 Apr 93

["Pool" item]

[Text] Knin, April 27 (TANJUG)—Fighting between the Croatian Army and forces of the Republic of Serb Krajina (RSK) continues along almost the entire front, with Serb units returning fire from the Croatian side, the Republic of Serb Krajina Army Command said on Tuesday.

Fierce clashes are reported in the hinterland of Biograd and Novigrad, with Croatian artillery heavily shelling this section of the North Dalmatian front, the command said.

On January 22 this year, the Croatian Army launched an aggression on the southern part of the Republic of Serb Krajina, which is a United Nations Protected Area (UNPA). Attacks continued in spite of a U.N. resolution calling for the withrawal of Croatian troops to the positions before the aggression.

As a reaction to Croatia's secession from the former Yugoslav federation, Serbs in the territories of this former Yugoslav republic where they are the majority population proclaimed the Republic of Serb Krajina.

Positions of the defenders of the Republic of Serb Krajina in the Skradin hinterland and the Drnis region were under fire from the Croatian Army, whose artillery also shelled the wider region of Obrovac, the statement said.

The Serb villages of Laktac and Koljani, east of the Peruca lake, came under heavy mortar, gun and howitzer fire from the Croatian side. While Croatian long-range artillery for the first time shelled the town of Vrlika in southeast of the republic, military sources in Knin said.

In attacking Vrlika and its surroundings, the Croatian Army used an old tactic: it sounded general alarm in the Croatian town of Sinj, and then started to shell civilian buildings.

Negotiations on Krajina To Resume 30 Apr

LD2704174593 Belgrade TANJUG Domestic Service in Serbo-Croatian 1439 GMT 27 Apr 93

[Text] Geneva, 27 Apr (TANJUG)—Negotiations on Krajina, which are being held within the framework of the international conference on former Yugoslavia, will resume in Geneva on Friday [30 April], a member of the negotiating team of the republic of Serb Krajina [RSK], Misa Milosevic, told TANJUG today.

At the invitation of cochairmen Cyrus Vance and Lord Owen, the RSK delegation, which is due to be led by President Goran Hadzic, has agreed to come, in spite of the fact that the RSK Assembly refused to ratify the agreement on the implementation of the UN Security Council Resolution 802, which the RSK delegation had signed "conditionally" in Geneva on 6 April.

According to Milosevic, Krajina will propose a new agreement on the implementation of that resolution, which should pave the way for a cease-fire and for the army and police withdrawal from territories which Croatia occupied on 22 January.

Assessment of Decision of Bosnian Serbs

AU2804114793 Zagreb VJESNIK in Serbo-Croatian 27 Apr 93 p 1

[Commentary by Aleksandar Milosevic: "Serbian God Mars"]

[Text] War on the territory of the former Yugoslavia continues. After the self-proclaimed Assembly of Bosnia-Herzegovina, Serbs refused to sign the Vance-Owen peace plan, and the world got the final evidence of Serb leaders' collective political pathology. During the lengthy session of a "handful of self-proclaimers" (as Lord Owen called them) in Bijeljina, a town that was the first to fall victim to the Serbian craze caused by the memorandum virus. Karadzic's supporters kept referring to Orthodox religion and God's help. However, their decision shows that Mars, the god of war, is the only thing they trust and that they are prepared to follow him to the darkest depths.

One could speculate as to the extent to which the unfortunate Muslim-Croatian conflicts in central Bosnia-Herzegovina influenced this Serbian decision, but there is no doubt that they have a cause and effect connection. However, the thing that Karadzic and his supporters counted on and spoke about openly is the assumption that the Western democracies would not resort to military intervention, not even to limited air strikes. Relying on the proven political inertia and self-satisfaction of the rich Western world, Karadzic and his evildoers decided to challenge the world once more and kept mocking the democratic, civilizational, and cultural heritage of the free democratic world. Putting the statue of the god Mars before icons and the cross, Bosnia-Herzegovina Serb leaders awarded themselves a place in history. They will remain infamous forever, branded by the stigma of violence, genocide, and non-civilization.

The decision to continue the war adopted in Bijeljina is also relevant for the development of the situation in Croatia, especially concerning the destiny of occupied areas. It is not very likely that it will be possible to implement the provisions of the Resolution 815 at present. Consequently, this questions the part of the Resolution 820 which speaks about the supervision of roads and borderlines between Croatia, Bosnia-Herzegovina, and Serbia. The decision from Bijeljina is a message to Croatia, too.

'Assembly-Line' Production of Basic Weapons

LD2804131893 Belgrade TANJUG in English 1228 GMT 28 Apr 93

[Text] Belgrade, April 28 (TANJUG)—Assembly-line production of nearly all basic weapons, including self-propelled anti-aircraft missile systems has recently started in Croatia, thus eliminating imports, writes the Zagreb weekly GLOBUS in its latest issue.

The article, quoted by the Belgrade daily BORBA, says that the former Yugoslav republic had invested millions of German marks in its armament industry which now has plants comparable to the most modern in Western Europe.

Croatia concentrated on developing its own armament industry two years ago, at the time when it seceded by force from the former Yugoslavia, writes GLOBUS. The cost of mastering the production of Ero, a small submachine gun similar to the Israeli Uzi, alone amounted to three million German marks.

Croatia's armament industry now boasts a "fascinating range of products"—from sniper rifles, light submachine guns, anti-tank rocket launchers, to multi-barrel rocket launchers, 130 mm guns and computer-guided anti-aircraft missile systems, writes the weekly whose journalist visited a large arms factory.

By publishing these data, GLOBUS has indirectly refuted Croatia's demand to be relieved of the arms embargo applied to the territories of former Yugoslavia in order to defend itself against the alleged "Serbian aggression," as it kept trying to convince the world.

Ruling Party Statement Urges Discipline, Cohesion

LD2704183693 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 27 Apr 93

[Text] We have just received a statement from a session of the executive committee of the Croatian Democratic Community [HDZ]. According to the statement, a session of the HDZ executive committee chaired by President Franjo Tudjman was held today. The session discussed the implementation of decisions made by the HDZ main board on 12 April and the overall political situation, the statement by the HDZ Presidium says. The Presidium, HINA reports, discussed the implementation of party policies and in particular public clashes between some party leaders, such as Josip Boljkovac, Stipe Mesic, Vice Vukojevic, and Vladimir Seks.

The Presidium has decided that the commission dealing with the HDZ statute and a court of honor should consider in particular statements made by Mr. Josip Boljkovac and his acceptance of candidacy for the post of prefect of Karlovac, which is contrary to a decision of the HDZ Presidium and main board.

The Presidium demands that all HDZ members refrain from using their public appearances for personal goals and for settling accounts. All HDZ members and officials are duty-bound to implement party policies and to develop the HDZ into a Christian democratic party.

The Presidium has decided to appoint a board in charge of drafting a HDZ statute and program within the framework of preparations for a HDZ assembly. It is necessary to complete these preparations and start inter-party elections from the level of party branch to the level of HDZ county board.

A discussion about the overall political situation drew attention to the emergence of illegal activity by left and right-wing movements even in the state administration, and army and civilian bodies. This requires that Croatia fully function as a law-governed state, the statement concludes.

Serbs Hijack Aid Bound for Muslims in Bihac

AU2804141593 Paris AFP in English 1358 GMT 28 Apr 93

[Text] Zagreb, April 28 (AFP)—Croatian Serb forces hijacked Wednesday 20 tonnes of food from a United Nations High Commission for Refugees convoy heading for besieged Moslems in northwest Bosnia-Herzegovina, the UNHCR said.

Spokesman Jacques Franquin said the Serb militiamen seized the food at their checkpoint at Tusilovic, 70 kilometres (45 miles) southwest of Zagreb, claiming it would be delivered to Moslem fighters in Bihac.

Some 300 Serbs fighters from Croatia invaded northwest Bosnia Tuesday and seized three villages in the Moslem enclave of Bihac. U.N. forces said Wednesday that Serbs were continuing to attack in the zone.

Franquin said the hijacked food consisted of survival rations which the UNHCR was taking to displaced Moslems living in areas close to the fighting.

But he said that despite this incident, the UNHCR was managing to send convoys into Bihac from Croatia.

Valentic Wins Chamber of Counties Confidence Vote

LD2804104493 Zagreb Radio Croatia Network in Serbo-Croatian 1000 GMT 28 Apr 93

[Text] Today's session of the Croatian Assembly Chamber of Counties began with a discussion on confidence in Prime Minister Nikica Valentic and members of his government. Following the discussion, which lasted over two hours, with many heated arguments, the Chamber of Counties expressed confidence in the new Croatian Government and Prime Minister Nikica Valentic, with only 12 negative votes.

Later, the prime minister presented the basic guidelines for the government's work in the forthcoming period.

Mate Mestrovic, a deputy from the Croatian Social-Liberal Party [HSLS; Hrvatska Socijalno-Liberalna Stranka], expressed no confidence in the government on behalf of his party, saying among other things that Valentic's government is not sufficiently independent in its work, and that members of the government are the same as before. Mestrovic also voiced his party's opinion that the Constitution should be changed in order to make the government fully responsible to the Assembly.

The Chamber of Counties session will resume later.

Conflicts of Croatian Christian Democrats

93BA0904A Zagreb VJESNIK in Serbo-Croatian 5 Apr 93 p 3

[Article by Branko Podgornik: "Rumbles Among the Christian Democrats"]

[Text] There is a great interest in the Christian Democratic cause in Croatia among people and the excessively numerous parties, because this political orientation has a certain future. But the Christian Democratic option still has not been completely expressed either in the incumbent party, or in the agitated opposition parties which are aimed at the same objective.

The strongest Christian Democrats in the opposition are certainly those in the Croatian Christian Democratic Union (HKDU). Goran Biljan, the Union's political secretary, says that the HKDU has now become the headquarters for rallying Christian Democrats on the Croatian political scene.

Actually, the Union, which is led by Dr. Marko Veselica, is still recovering from last year's upheavals at the time of its creation. Ever since the Croatian Democratic Party (HDS), headed by Veselica, and the Croatian Christian Democratic Party (HKDS), under the leadership of Dr. Ivan Cesar, began to move toward a convention at which they would unify, and this was held just before Christmas, the ground between their feet began to shake seriously. They did arrive at the Union, but they lost many chapters and members along the way.

While the HDS and HKDS together took 4.2 percent of the vote in the August election, in the February election the HKDU received only 1.2 percent at the national level. All the opposition Christian Democrats in Croatia received about 44,000 votes in Croatia in the election to the Zupanija Chamber of the Assembly, which is one-third of the result in August. By comparison, in February the HDZ [Croatian Democratic Union] received a bit more than a million votes.

If we recall, the first act of unification of the HDS and HKDS was unsuccessful. When Veselica and Cesar announced creation of the Union at ceremonies in the Emerald Room of the Hotel Esplanade on 6 October, a wave of protests followed from both parties. Critics gave notice that the unification had been carried out undemocratically, regardless of the wishes of a considerable portion of the rank and file. Then the right wing of the HDS, headed by Ivan Gabelica, left to establish the Croatian Pure Rights Party [HCSP]. Many chapters of the HDS went over to the HDZ. The HKDS was also caught up in the commotion: Some of its chapters also went over to the HDZ, and some became independent—for example, the Christian Democrats of Medjimurje became a new party.

Marko Veselica blamed the chaos in both parties on "certain circles" in the HDZ, whom he said were putting spokes in the wheels of opposition Christian Democrats so they would not become stronger and become members of European Christian Democratic organizations before the HDZ entirely took shape as that kind of party. Veselica accused the HDZ of "using" the film about Bruno Busic "to disqualify Dr. Ivan Cesar and the Christian Democratic Union," with which a considerable portion of the Croatian political public agreed.

Commotion After Unification

The remnants of the HDS and HKDS prepared again to merge, and this took place on 20 December in a convention for unification held in the Hotel Intercontinental. The decision was made then that those two parties would create a new political organization (party) in which the HDS and HKDS would give up their independent status "over a transitional period." That formulation evoked new protests, this time within the HKDS.

So, separate party conventions of the HDS and HKDS were held the day before the convention of the Union. The HDS decided at that time to enter the Union, but also to disappear over a transitional period of 12 months. Most of the delegates to the convention of the HKDS also favored entering the Union, but the Union would not be a new party, but an alliance of the two parties in which the HKDS would not disappear. The entire matter was further entangled by the fact that the convention of the HKDS did not have a quorum. The truncated convention of the HKDS elected Ivan Keglevic the new president instead of Ivan Cesar. The next day, a group led by Keglevic left the founding convention of the HKDU, opposing the melting of the HKDS into the Union. Meanwhile, Ivan Cesar, Goran Biljan, and certain other officials of the HKDS remained with their supporters in the unification convention and were elected to the governing bodies of the newly formed Union.

The commotion in the HKDS continued. In a meeting of the Grand Council of the HKDS on 27 March in Zagreb, more than half (34) of the members of that body who opposed the Union demonstratively left the meeting, which was chaired by Ivan Malcic, a supporter of the Union. A majority then called an expanded meeting of the Small Council of the HKDS, which decided to hold a founding convention of the HKDS before this year is out.

Blago Jurcic, the new HKDS vice president, repeated that that party "is not against an alliance or union of

Christian Democrats, but does oppose the way this was done—forcibly and illegally—because a majority of the membership does not want the HKDS to disappear."

The leaders of the HKDU, however, contested the legality and legitimacy of the new leadership of the HKDS. They said that most chapters of the HKDS were on their side. Ivan Kovac, president of the Senate of the HKDU, said that in the February elections the HKDS, unlike the Union, "failed to win a single seat either in opcinas or in zupanijas."

A Crisis of Leadership

Goran Biljan, HKDU political secretary, says that the conflict between the HKDU and a "faction in the HKDS" broke out because of the "leadership ambitions of Ivan Keglevic, who is supported by only 30 to 35 people." Keglevic, Biljan adds, "is breaking up the unity of the Christian Democrats, is weakening them, and we can only guess in whose interest he is doing this. Keglevic was elected president of the HKDS at a moment when he still did not have a domovnica [certificate of origin]. After all, he is an Austrian citizen residing permanently in Vienna. He even has a business firm outside the country. If it is true that Keglevic is also an official of the Austrian People's Party, then he could be pursuing Austrian policy in Croatia."

Blago Jurcic at the same time rejects "any leadership ambitions at all" on the part of the new leadership of the HKDS, saying that they are "guided by the Christian Democratic idea." In the HKDS, they are also accusing the leadership of the HKDU of leadership ambitions in the belief that Veselica and Cesar, unsuccessful leaders of the HDS and HKDS, created the Union in order to "offset election losses." Incidentally, Kresimir Pavelic's HSDP [Croatian Constitutional Law Party], which has symbolic importance, also joined the Union the other day without any prior conditions whatsoever.

It is difficult to say who is more right and who less right in these disagreements. The Christian Democratic opposition scene is really burdened with leaders, but in spite of their number there is still no person on the horizon capable of bringing together all the Christian Democrats. It is also burdened with games being played behind the scenes in which it is difficult to determine in those parties where the overground begins and the underground ends, who is pulling all the strings, and from where. It seems that the opposition Christian Democrats will need quite a bit more time to gain strength, and during that time they will have to clear up relations among themselves, which is also the case in the Croatian Democratic Union.

Christian Democrats Distribute Bread in Zagreb

93BA0904B Zagreb VJESNIK in Serbo-Croatian 5 Apr 93 p 3

[Article by HINA: "HKDU Distributed 10,000 Loaves of Bread"]

[Text] Zagreb—On Sunday, as part of the "Our Daily Bread" campaign, the leadership of the HKDU [Croatian Christian Democratic Union] distributed bread to the public in Tresnjevka Market in Zagreb. The public, of course, hurried once again line up for the free loaves. The bread distribution this Sunday brought that campaign to an end, but so far, said leaders of the HKDU, about 10,000 loaves of bread have been distributed at the Dolac, Tresnjevka, and Dubrava markets in Zagreb.

"With the 'Our Daily Bread' campaign, the Christian Democrats are showing solidarity with the humiliated public who wait for the dark bread in the morning hours," announced Dr. Marko Veselica, president of the HKDU, after the campaign was completed, adding that the HKDU "calls upon responsible officials in Croatia to immediately begin to solve the social welfare problems that have accumulated."

IDS President on Istria Regional Independence

93BA0894C Zagreb DANAS in Serbo-Croatian 2 Apr 93 pp 24-26

[Interview with IDS President Ivan Jakovcic by M.M.; place and date not given: "We Are Not Afraid of Graffiti"]

[Text] *A transborder Istria will happen only if the citizens want it and if the state authority agrees.*

[M.M.] After the talks between the IDS [Istrian Democratic Party] leadership and the HDZ [Croatian Democratic Community], there were many different reactions in the party, and Mr. Blecic submitted his resignation. How do you explain that?

[Jakovcic] At the meeting with the Republic president and the leaders of the HDZ, we agreed on Croatia's strategic interests: the state's integrity and unambiguous sovereignty on every part of its territory. The Istrian Democratic Party has never thought differently, nor has any of its leaders said anything different, even though the media have often made insinuations about our positions. Naturally, it is generally known that we support the regionalization of our state, and a corresponding level of authority for local self-government and administration, or, if you like, a level of autonomy for the Istrian Parish. So far no one has betrayed any of the IDS's goals. No one has the right to deviate from the provisions of our program and the fundamental party documents. The fact is, however, that some of the media could hardly wait for certain awkward situations and immediately commented on Mr. Blecic's departure as a schism in the IDS. Mr. Blecic's action is an extremely democratic act, and the

fact is that there are differences in the methods of achieving the IDS's goals. Basically, I am in favor of a step-by-step policy, perhaps even with somewhat longer steps, but by no means radically, because that would bring us to disaster.

[M.M.] How do you envision Istria as a region?

[Jakovcic] We see Istria as a transborder region—by no means a supranational one, I emphasize—which is not anything special, and least of all unusual in the structure of European states. Consequently, we want only what the Croatian Republic will accept in any case when it becomes a member of the Council of Europe. Admittedly, no one spoke about this at the meeting. Today there are about 20 transborder regions active in Europe, and one is just being created among Hungary, Slovakia, Poland, and Ukraine. International cooperation is conducted primarily through functional links between the areas along the border. In Istria that can be, for example, the issue of the Italian component, the hospital in Izola, tourism, culture, the economy, the infrastructure, etc. Today there are already ideas about creating a broader northern Adriatic transborder region with Rijeka, Istria, Trieste, and Gorizia, as well as consideration of including Austrian regions in a new regional association that I would call the "Heart of Alpe-Adria." We want maximum openness, transparency of the borders, freedom of the media, respect for human rights, the circulation of capital, etc. The IDS is in favor of autonomy through local self-government for the Croatian part of Istria, i.e., the Istrian Parish along with the present Opatia municipality, which confirmed through its electoral result what I have said so much at the Assembly podium, and also Cres and Losinj. The transborder Istria in which, consequently, the parish will be its biggest party, will only happen if the citizens want it and if the state authority agrees. We do not intend to do anything without cooperation with the state leadership.

[M.M.] Some people are calling it a federalist concept.

[Jakovcic] We are regionalists, and not federalists. Since you are provoking me now, however, I can tell you that the IDS is, of course, in favor of the highest degree of autonomy for the Istrian Parish that the legislator will prescribe, because we think that a high level of regional independence for Istria is best for its future, and thus also for the state as a whole.

[M.M.] Istria is full of graffiti: Istria state, Istria republic, Let's respect Croatia as a neighboring state.... Do you agree with those graffiti?

[Jakovcic] We are a party that is not afraid of and is not bothered by graffiti, whatever they are like. You will also find the graffiti IDS = SDS [Serbian Democratic Party], and IDS = SAO [Serbian Autonomous Region] Krajina. Those mammoth graffiti appeared in Pazin, and we did not consider it necessary to erase them. Thus we will not erase the others, either. Let that be considered by those who are disgusting citizens by their centralization of everyone and everything, so that they are responding to them in that way. Personally, I do not see Istria as a state or a republic; I think that is clear to everyone.

[M.M.] Do you think that Istrians exist as an ethnic group?

[Jakovcic] I consider Istrian a geoethnic term of reference. Today many citizens of Istria prefer their geomembership in the area of Istria to ethnic membership in the indigenous Istrian ethnic groups: Croatian, Italian, Slovene. Of course, today Istrianism has been awakened in all dimensions, and I think that it is good for Istria.

[M.M.] How do you identify yourself?

[Jakovcic] I maintain that it is time for us to leave nationality to people's private life and personality. Since you are asking, however, I will gladly confirm for you that I identify myself as a Croat, and in the IDS I mostly do not even know how anyone identifies himself, because that is not the most essential thing for us.

Negative Business Results for 1992

93BA0896A Ljubljana DELO in Slovene 3 Apr 93 p 3

[Article by Ilja Popit: "Drowning in Red Ink"]

[Text] *Last year's business accounts indicate that there was no suitable compensation for the Yugoslav market; outlays were about 122 billion tolars higher than earnings; more money went for wages, and less for capital formation.*

Ljubljana, 2 Apr—Bookkeeping statements on business performance in 1992 were sent to the Ljubljana headquarters of the Public Auditing Service this time by 20,302 legal persons, i.e., enterprises in the Slovene economy, which is 4,162 more than for operation during the first half of last year.

Among these enterprises, 80 percent, or 16,404, were private enterprises. It was precisely because of the large number of new enterprises not skilled in bookkeeping that the Service had a great deal of work in discovering and eliminating mistakes in the accounts, which also justifies the fact that the publication of these data is later than it was last year.

At the same time, this account is to be the last one prepared according to the provisions of the 1989 law on bookkeeping. The change in the recording of property, sources of property, and business result is very necessary, the Service notes, since the present method is complicated, and also inconsistent in revaluation, since it does not ensure preserving capital as a whole, which is mandatory for all enterprises, regardless of the result.

The Service notes that new enterprises were established and old ones were transformed last year in an extremely lively manner. This entrepreneurial fever is also indicated by the fact that at the end of last year 29,485 enterprises were already thus registered in Slovenia, which is 10,259 more enterprises than the year before. The Service noted that bookkeeping statements were submitted by all the enterprises in operation, which means that 9,183 (names of) enterprises are still in "reserve."

Of the 20,302 operating enterprises, 92.1 percent, or 18,697, were small ones, 5.6 percent or 1,142 were medium-sized ones, and 2.3 percent, or 463 were large enterprises. Last year the proportion of small enterprises increased in terms of the number of enterprises from 88.1 to 92.1 percent, in terms of employees from 11.4 to 16.3 percent, in terms of income earned from 14.1 to 19 percent, and in terms of property or business assets from 10.6 to 13.6 percent.

More Private Enterprises

While 74.9 percent of all enterprises were private ones the year before last, at the end of last year they were already 80.8 percent. The percentage of workers employed by private enterprises increased from 2.7 percent the year before last to 5.4 percent of all workers at the end of last year. Their share in the total property of the economy increased from 2.8 to 5.2 percent. The Service notes that in spite of those shifts, the business result, and also the composition of the overall economy's property, are predominantly still dependent upon the large socialized enterprises.

The Service thus noted that last year the Slovene economy had 2,582 billion tolars in earnings, and 2,703 billion tolars, or 122 billion tolars more, in outlays. Since according to an old bookkeeping customs losses and bad results are written in red ink in an otherwise black record of other data, the Service noted in regard to last year's business result that it was written in big red figures. Otherwise, it noted that with all the difficulties that the economy faced last year, no other kind of result could have been expected.

The Yugoslav market was curtailed even further. Thus, during the first half of last year the shares of Slovene sales and purchases in the other republics' markets no longer reached even 10 percent of the totals, and in the second half of last year they were even lower. In normal times, we made 25 percent of all sales there and 22 percent of all purchases.

Illiquidity

Last year the economy was also not any less hurt by illiquidity. On the average, the transfer accounts of 1,568 enterprises, where there was an average of 176,166 employees, were forcibly closed or blocked for five days in a row last year. The average amount of the block last January was around 12,508 million tolars, and in December it already amounted to 37,454 million tolars. Last year 916 enterprises with 51,918 employees became ready for bankruptcy. From the introduction of the moratorium on bankruptcy applications in July 1991 until the end of last year, 1,295 enterprises with 117,013 employees "met the conditions" for bankruptcy. Although they also included 848 private enterprises, these enterprises only have 1,809 workers, and all the others are employed in mixed and socialized enterprises.

Earnings Too Low

The final business result of any enterprise is most dependent upon the volume of earnings. No matter how carefully enterprises operate, and no matter how much they limit wages and other costs, if they do not achieve enough earnings, there is also no capital formation, and their further development is jeopardized. Last year's volume of earnings, in fact, is 158 percent higher than the year before, but it was not enough to pay for all the outlays. While outlays were 0.2 percent higher than earnings the year before last, last year they were already 4.7 percent higher.

Whereas the year before last, the economy's earnings were 1,000 billion tolars, last year they were 2,582 billion. In this 100 percent, the year before last gross profits still had a 2.8 percent share, and last year, only 1.8 percent. The amounts paid for wages were 11.8

percent of earnings the year before last, and last year they were already 12.9 percent, but on the contrary, last year's share for capital formation was reduced from 1.3 percent to a mere 1 percent, or 24.8 billion tolars. The year before last, losses were 3 percent of earnings, and last year they were already 6.6 percent, or 169 billion tolars, or, according to last year's average exchange rate for the mark, the equivalent value of 3.3 billion marks.

More Money Went for Wages

According to these accounts, last year enterprises accounted for 332.5 billion tolars in wages, which is 183 percent more than the year before. The increase in wages was 24.8 percent larger than the increase in earnings. The increase in wages was influenced not only by higher net personal incomes, but also by the higher burden on wages from taxes and contributions, since net wages represented 8.3 percent of earnings (7.5 the year before last), while the percentage of taxes on wages in earnings amounted to 4.6 percent last year, and 4.2 percent the year before last. Since it is not necessary to pay any other contributions from the reimbursement "for leave" except for the tax on personal income as an advance payment on income tax, there was understandably an increase in the payment of reimbursements, so last year payments from total consumption increased by a record 348 percent. If we recalculate wages per worker (the amount), each worker in the economy (last year there were 9 percent fewer employees) received 636,122 tolars apiece, which is 214 percent more than the year before last. The real increase in wages is indicated by a comparison with the increase in prices for basic necessities, which increased last year by 207.3 percent, the Service pointed out.

More Money for Public Spending

Last year enterprises recorded 88 billion tolars as the obligation for public spending, which is 178 percent more than the year before last. In comparison with the increase in earnings, this increase was 19.4 percent higher.

The small amount of 24.8 billion tolars that was allocated for capital formation in the annual account does not provide any possibility for larger investments and for revival of the economy, the SDK noted. That amount is only 96.8 percent higher than the year before last, whereas during that period industrial producer prices increased by 216 percent, and earnings by 158 percent.

Almost a Quarter of Enterprises Show Losses

Business difficulties led to losses for 4,930 enterprises, almost a quarter of the total. Last year 233,915 people were employed at enterprises with losses, or 44.7 percent of all those employed in the economy. A fifth of all losses, namely 42 billion tolars, were shown by the electrical industry. Otherwise, the largest losses were shown by industry, namely 69.4 percent; transportation and communications, 12.4 percent; finance, 6.1 percent, trade, 4.7 percent, and so forth.

Federal

Report on Effects of 'Harsher' Sanctions

AU2704194693 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 27 Apr 93

[Text] Harsher sanctions against Yugoslavia and traffic: Dusica Jovanovic has prepared the following feature with the help of correspondents:

[Begin recording] [Jovanovic] First a report issued by the Association of Yugoslav Railroads: International passenger trains are running according to schedule. As a form of harshening the sanctions, west and east German railroads, which have not yet united even though the countries have, have announced that they will forbid cars belonging to Yugoslav Railroads to be connected to trains running across their territories.

As regards freight traffic, Yugoslav Railroads are complying with the restrictions specified in Resolution 820, which means that for any possible transit they will wait for the approval of the corresponding UN committee.

As regards road traffic, here is a report from the Kelebija border crossing where trucks carrying humanitarian aid have been waiting on the Hungarian side for several days and are expected to cross. Zoran Brcanski, head of the customs authority, made this statement to our correspondent Ivica Kajdaci:

[Brcanski] Well, the situation at the moment, that is, this morning, is the same as it has been recently, so that it is still not being felt that the Hungarian authorities are implementing the sanctions.

As regards commodity transfers, compared with last week it has been reduced in both directions, and as for the trucks carrying humanitarian aid that you mentioned, according to the latest reports we have, the trucks are still on the Hungarian side.

[Jovanovic] A statement by Zoran Lazarevic, shift supervisor of the customs authority at Horgos, is almost identical.

As regards the Iron Gates region, signs of the isolation of our country are (?completely) visible, Dusan Zonjic reports:

[Zonjic] Cargo and passenger vessels along the Danube have become much less frequent or almost stopped. Only an occasional tow-boat or a cargo vessel with a foreign flag can be noticed in this part of the Iron Gates. As of yesterday, the ferry between Kladovo and Turnu Severin-Drobeta is not running. The Orsova-Tekija line, where a Romanian vessel used to operate, has also been interrupted.

There is no holdup at the Iron Gates border crossing. One would even say that the traffic is a little more intensive. Both our and Romanian citizens are travelling in both directions, but the checks on passengers and vehicles is stricter and lasts somewhat longer than before. It is interesting to say that as of tomorrow, there will be a regular bus line between Kladovo and Turnu Severin every day instead of twice a week as was the case in the past. This line, so far the only organized line with Romania, is being operated by the Negotin Lasta Organization.

[Jovanovic] At the Vrska Cuka border crossing with Bulgaria, the checks on passenger traffic has been made stricter and the traffic in goods stopped. Biljana Glisic has the details:

[Glisic] Yugoslavs crossing over into neighboring Bulgaria are rare, and Bulgarians entering Yugoslavia are considerably fewer. As we have learned from the authorities at the border crossing, as of yesterday only one bus line has been operating, a Bulgarian line from Vidin to Zajecar.

[Jovanovic] As Ljubisa Stojanovic reports from Pirot Radio, there is no cargo traffic at the Gradina border crossing near Dimitrovgrad either. It is assumed that what is involved is the fear of all carriers that their trucks may be confiscated. There have been no changes in passenger traffic, mostly limited to small border traffic.

Finally, a report from Belgrade: Bus lines for abroad, except for Zagreb and Ljubljana, which have been halted, travel as far as the border. As we have heard, passengers then transfer to foreign carriers. [end recording]

Tougher UN Sanctions Take Effect

LD2704180893 Belgrade TANJUG in English 1628 GMT 27 Apr 93

["Pool" item]

[Text] Belgrade, April 27 (TANJUG)—The tougher U.N. Security Council sanctions against the Federal Republic of Yugoslavia (F.R.Y), which came into force Tuesday morning, have completely halted the freight transportation on the Yugoslav border with neighboring countries, while passenger traffic, although reduced, is normal.

According to Serbia's Motorist Federation (AMSS), passenger transportation is down 70 percent, while cargo transportation has completely halted.

"Not one cargo vehicle crossed the busiest Yugoslav-Bulgarian border crossing 'Gradina' since Tuesday morning, but passenger transport is normal for now", head of the "Gradina" customs office Djurica Nikolic told TANJUG.

Nikolic said that international monitors were posted on the Bulgarian side of the border and that their behavior towards the passengers was [word indistinct].

Trucks cannot pass through the Yugoslav-Hungarian border crossings of "Horgos" and "Kelebija", but passenger transport is normal, although considerably reduced.

Hungary has not yet officially informed the Yugoslav border authorities that it has begun implementing the new sanctions.

Trucks are also not crossing from Macedonia to Yugoslavia, while passenger vehicles are going in both directions without any difficulties.

Cargo traffic is also banned on Yugoslav-Romanian border crossings.

Serbia's Tourist Association official Lazar Manojlovic told TANJUG that the blockade was felt in the country's interior as well, that the motels along the highways were practically empty.

Yugoslav passenger trains on international routes are running on schedule, the Yugoslav railways said. West and east European railway associations have, however, announced they would forbid the Yugoslav trains to use their tracks, they said.

The Yugoslav railways also said that it was strictly abiding by Resolution 820 restrictions of conveyance of goods.

Prime Ministers Discuss Measures to Counter Blockade

LD2704211193 Belgrade TANJUG Domestic Service in Serbo-Croatian 1636 GMT 27 Apr 93

[Text] Belgrade, 27 April (TANJUG)—Yugoslav Prime Minister Radoje Kontic today had a meeting with republic Prime Ministers Nikola Sainovic and Milo Djukanovic, with their associates.

As the Federal Ministry of Information has announced, the meeting was devoted to examining the current situation created by UN Security Council Resolution 820 coming into force.

They examined the application of the resolution to the economic and social life of the country, bearing in mind that it envisages a blockade of the country and almost all forms of foreign cooperation, with the exception of humanitarian cooperation, and that it also envisages measures against legal and physical entities which would try to engage in any kind of cooperation with our country.

It was assessed that the international community is continuing its unjust punishment of the Federal Republic of Yugoslavia, which represents an effort by the superpowers to achieve their political and other interests in the region. Hence, UN Security Council Resolution 820 was unanimously denounced as an expression of the inability of the international community to resolve the Yugoslav crisis.

They agreed on what necessary measures should be adopted and how all individuals and forces in the country should be organized to facilitate the functioning of the economy and society as a whole, that is, to alleviate consequences of the sanctions. In this regard, under the present circumstances, we must rely on our own strength and resources. Appropriate tasks have been set for competent federal and republic bodies and institutions, which are to prepare all necessary material and financial balance sheets, programs, regulations, and all other measures necessary for the operation of key functions of the state and economy under the new conditions; primarily, nourishment and health protection of the population should be secured, and the necessary level of defense readiness and security ought to be maintained.

Leaders Say Sanctions Serve Interests of Great Powers

LD2704202093 Belgrade TANJUG in English 1833 GMT 27 Apr 93

[Text] Belgrade, April 27 (TANJUG)—Yugoslav Prime Minister Radoje Kontic, and Prime Ministers of Serbia and Montenegro Nikola Sainovic and Milo Djukanovic said on Tuesday the new unjust sanctions against the F.R.Y. served the political and other interests of the great powers.

The three prime ministers agreed at a meeting in Belgrade that the "international community continues the unjust punishment of the F.R.Y. in an effort to create conditions that the great powers achieve their political and other interests in the area in an inappropriate manner," the Yugoslav Information Ministry said.

The three officials condemned U.N. Resolution 820, tightening sanctions against the F.R.Y., and said the resolution demonstrated the international community's inability to resolve the Yugoslav crisis.

The resolution took effect on Tuesday morning, after the Bosnian Serbs failed to accept a part of the Vance-Owen maps dividing Bosnia-Herzegovina into provinces.

The U.N. Security Council on April 18 decided to toughen the embargo against the F.R.Y., treating it as a hostage of the warring Moslem, Serb and Croat sides in Bosnia-Herzegovina.

Kontic, Sainovic and Djukanovic agreed on necessary measures and organizing of all subjects and forces in the country to secure the functioning of the society, that is to ease the effects of the new sanctions, the Information Ministry said.

Party Calls on Presidents to Explain Decision

LD2704180093 Belgrade TANJUG Domestic Service in Serbo-Croatian 1643 GMT 27 Apr 93

[Text] Belgrade, 27 Apr (TANJUG)—In connection with differing interpretations of a letter sent by Presidents Cosic, Milosevic, and Bulatovic to the Assembly of the

Serb republic, the executive committee of the Democratic Party today issued a statement saying it is now necessary for them to address the Yugoslav public and explain the reasons for their decision.

The three presidents ought to explain the reasons for their decision, the course of negotiations, and possible consequences for Serbs outside Serbia and for the citizens of Yugoslavia in their address. The Democratic Party executive committee believes it is necessary for the presidents to explain the link between the declaration on UN Security Council Resolution 820 adopted by the Yugoslav Assembly and the stands voiced in their letter to the Assembly of the Serb republic.

Another reason for a public address is provided by the fact that the Serbian Radical Party, the second largest parliamentary party, is now opposing a joint policy adopted by the federal parliament, which—according to the Democratic Party—"is a blow to the Federal Republic of Yugoslavia's peace efforts and a possible source of political instability and dangerous conflicts in Serbia and Montenegro."

Cosic Hoping Bosnian Serbs Will Accept Vance Plan

AU2804112093 Belgrade Radio Beograd Network in Serbo-Croatian 1000 GMT 28 Apr 93

[Dragolub Stankic report on Yugoslav President Dobrica Cosic's news conference currently in progress in the Palace of the Federation in Belgrade—recorded]

[Text] The news conference of Dobrica Cosic, president of the Federal Republic of Yugoslavia, attended by some one hundred domestic and foreign journalists, is currently in progress in the Palace of the Federation in Belgrade. What can we do right away today to ensure that our future is not even more troubled than our present, asked Dobrica Cosic at the beginning. The Federal Republic of Yugoslavia has been placed in total isolation since yesterday. Will they be able to starve us, or will it be more efficient to shower us with missiles, asked Cosic.

He stressed that they had spent days and nights trying to decide what course of action to take, and how to react toward the Vance-Owen plan, and especially toward the ultimatum-like and extremely difficult UN Security Council Resolution. The resolution is unfair to the people in Bosnia-Herzegovina and accepting it immediately was not easy. Up until 0030 [2230 GMT] on Sunday night we did not know the exact answers of the other warring parties to certain questions, certain ambiguities, certain justified minimal requests of the Serbian people.

Only after midnight did we learn what the final conditions of the resolution were, and what the final attitude of the Muslim and Croat sides was, stressed Cosic. It was only after the debate at the Bijeljina Assembly started, after we heard the first speakers on the radio, that we realized the Assembly was moving in the opposite direction, and that our call and our convincing that it was crucial to accept the plan was in vain, said Cosic.

It was only then that we decided to draft a letter, said Cosic. It is my opinion that the decision is a difficult one, and it will have major consequences for the Serbian people in Bosnia-Herzegovina, and the entire Federal Republic of Yugoslavia. Cosic added that he fully understood the fear of the Serbian people in Bosnia, but he said that this was a warrior-like and warlike assembly, which finds it difficult to make the decisions we recommended.

He added that at the same time, he was hoping and had faith that the Assembly of the Serbian Republic and the responsible people in Bosnia-Herzegovina would find the strength, the means, and the way to accept the Vance-Owen plan, which they will continue to insist upon.

The president of the Federal Republic of Yugoslavia, Dobrica Cosic, is still answering the numerous questions of domestic and foreign journalists.

Cosic Calls for International Summit on Bosnia

AU2804113793 Paris AFP in English 1110 GMT 28 Apr 93

[Text] Belgrade, April 28 (AFP)—Yugoslav President Dobrica Cosic Wednesday called for an "international summit" to settle the crisis in war-torn Bosnia-Herzegovina.

Speaking at a press conference here, he suggested that the summit include representatives from all three warring parties—Croats, Moslems and Serbs—along with representatives from the rump Yugoslavia, Croatia and the five permanent members of the U.N. Security Council—France, Britain, the United States, Russia and China.

In addition, the summit should include representatives from non- aligned India, Egypt, Brazil and Zimbabwe, and the two co-chairmen of the Geneva peace conference on former Yugoslavia, Lord Owen and Cyrus Vance, he said.

Yugoslavia, now subject to ever-tightening U.N. sanctions, was "continuing its efforts of peace", despite the Bosnian Serbs' rejection at the weekend of the Owen-Vance peace plan, he added.

"This summit could result in compromises liable to end the agony of Bosnia-Herzegovina," Cosic said.

Cosic Says Yugoslavia NATO 'Concentration Camp'

LD2804104793 Belgrade Radio Yugoslavia in English 1000 GMT 28 Apr 93

[Text] You are listening to Radio Yugoslavia's special broadcast. Before we go on, here is a piece of news we have just received:

The Federal Republic of Yugoslavia has been placed under almost total isolation since yesterday in a specific concentration camp at the borders of which NATO's air force and fleet, as well as the world police, are patrolling, the president of the Federal Republic of Yugoslavia Dobrica Cosic said today at a news conference which assembled over 100 domestic and foreign correspondents.

Describing Yugoslavia's present situation, Dobrica Cosic said that the domestic and international political factors [as heard] are faced with the categorical question: What should be done immediately today so that our future will not be more unfortunate than our present times?

He added that these are times of a deep ethical crisis, not only on the Yugoslav and Bosnia and Herzegovinian soil. Many nations are in a political and social crisis, and some are in a state of true agony.

And that was the piece of news we have just received.

Cosic Discusses Krajina With Wahlgren, Thornberry

AU2704154793 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 27 Apr 93

[Text] Here is a report by Slobodan Jankovic from the Palace of the Federation where Dobrica Cosic, president of the Federal Republic of Yugoslavia, and General Wahlgren have held talks. Over to you, colleague.

[Jankovic] Well, the talks between President Cosic and General Lars Erik Wahlgren, UNPROFOR commander for former Yugoslavia, and Cedric Thornberry, chief of the civilian sector of UNPROFOR, lasted for two hours and ended a few minutes ago. At the end of the talks, only Wahlgren and Thornberry appeared before journalists and they did not say much, keeping more extensive information for the news conference that will be held at the International Press Center this afternoon. They said that talks focussed mainly on Krajina and the UNPROFOR mandate.

President Cosic himself will probably say something more about today's meeting at the news conference for foreign and domestic journalists tomorrow at 1100 [0900 GMT].

After the meeting with President Cosic, Wahlgren and Thornberry left for a meeting with Serbian President Slobodan Milosevic.

Assemblymen View Proposal on Cosic's Removal

AU2804115593 Belgrade BORBA in Serbo-Croatian 17-19 Apr p 3

[Article by Bojana Jager and Vojislava Vignjevic: "How To Diminish Gulliver"]

[Text] Although the radicals' initiative to remove FRY President Dobrica Cosic, accused of violating the Constitution many times, has been in process in the Federal Assembly since early February, it has been reactivated only recently. Why? Nothing has happened in internal policy in the meantime to display Cosic as a serious opponent of the ruling parliamentary informal coalition: The time of Milan Panic has passed, a new federal government has been elected, as has a prime minister who is responsible for both federal units, the opposition has calmed down, no economic platform whatsoever has been accepted, and there are still no strikes or major social disturbances.

Recently, one can hardly notice the difference between the attitudes of the FRY leadership and the Serbian leadership regarding the Serbian question, and its consequences upon the international position of the FRY. If there are no publicly visible disagreements between Cosic and Milosevic regarding the vital national question, what is then behind Vojislav Seselj's persistence in questioning the authority of the "father of the nation"?

The mood of the main protagonists, who will decide upon this initiative when Radoman Bozovic finally puts it on the agenda of "his" Assembly Council, was felt even in the debate regarding the Law on the Appointment and Reappointment of the President of the FRY. The radicals were even more radical, while the Serbian socialists tried to maintain good relations with the ruling Montenegrin party, and tried not to show that the elimination of the Federal Constitutional Court from decisions on Cosic's violation or nonviolation of the Constitution, which failed to happen, would have been quite welcome to them. On the other hand, Montenegrin socialists and the opposition, one section of which (the Democratic Movement of Serbia) [DEPOS] temporarily returned to its Assembly seats exactly for that reason and clearly showed their conviction that the country does not need another political crisis, which would certainly be the result of Cosic's removal.

Socialists in Clutches

Then, who wants Cosic's overthrow, or who, perhaps, is only probing him?

"I do not have a clear answer as to who might find Cosic's fall desirable, since such a fall would not benefit Seselj's advancement," Dragoljub Micunovic, head of the Assembly representatives of the Democratic Party, said. "To create such a problem, which will bring about the internal destabilization of the country, at this fateful moment for the country and people, can only be done by an enemy of this country. It is obvious that it is not only a matter of the radicals, there are also other groups trying to discredit Cosic, or to make him more dependent and subservient politically by threatening his overthrow. The efforts are obviously aimed at narrowing down political power and, since Cosic has proved himself to be an independent political center, stifling and controlling that center."

Given Seselj's ambitions to incessantly display his power, this initiative also provides his blackmail of the socialists with the threat that he is able to remove the head of the state, and to hold all of them in his hand. The removal of Cosic would, in any case, lead to new political divisions, thereby making enemies out of people who have just started to accumulate political power and who support the course of democracy which Cosic has been pushing for. Since the state president enjoys great respect with the Serbs outside of Serbia, Seselj's initiative could also cause great damage and unnecessary divisions there. "If I were Cosic, I would make radical moves to halt the erosion of my authority in such a way," Micunovic said, adding that Cosic must clear up the issue with the socialists, and not with Seselj. He said; "The socialists should say openly that they do not approve such initiatives, after which Seselj would not dare put them forward again."

Vladimir Kriljanin, member of the Executive Council of the City Branch of the Socialist Party of Serbia [SPS], emphasizes that particularly at the present time, marked with ruthless and unjustifiable pressures on our country and with turbulent internal political tensions irresponsibly initiated by a section of the opposition, there are certain preconditions for the successful preservation of peace in the FRY, other than the strict observation and unobstructed functioning of the democratic constitutional system, and its institutions, which are necessary to solve all problems, particularly those related to national and state interests.

"That our famous and great author, whose performance as president of the Republic is mainly a result of the decisive support of our party, manifests a personal resistance toward specific constitutional solutions can in no way be a justification for a disregard, or casual interpretation, of the Constitution. The federal Constitution clearly dictates that foreign and internal policy is the domain of the government and not of the president of the Republic. On the other hand, our attempts to take different political attitudes to the former Prime Minister Milan Panic and President Cosic were usually disrupted by President Cosic himself, through his preelection political pledges and an insufficient observation of the political realities in the Assembly and electorate. Besides, he also reacted with panic in some significant political situations.

The great respect that I share and people throughout the FRY feel toward the personality and work of the great author is a delicate thing. However, there is no place for sentiment in political reasoning—the game includes the needs of the state and Assembly, historic circumstances, and merciless legal facts," Krsljanin said, reminding us that, on the initiative of the Serbian Radical Party [SRS], the Executive Board of the SPS has not yet adopted an official stance.

"The president of the FRY cannot be relieved of his duty, unless he has violated the Constitution of the FRY," said Svetozar Marovic, secretary general of the Democratic Party of Socialists of Montenegro [DPS]. "That issue should not depend on the emotions or the will of the majority, or of a minority. If such violations occur the Assembly will judge them, and if the president should be relieved of his duty the Assembly will judge. The abruptness and inflexibility of submitting such a proposal reveals that the proposer does not actually wish to discover the true constitutionality of the president's acts. Because, why should the Constitutional Court be excluded from the procedure of determining possible offense, when, according to the Constitution of the FRY, only the Constitutional Court is authorized to determine what is constitutional? I also believe that it would be even more harmful to accept the argument that, in this case, the issue is only a concern of the Republic of Serbia because the FRY president is a citizen of that republic. Such an approach might mean the disregard of the necessity of consultating all the relevant political forces—not only of one federal unit, but of the entire FRY—which was a characteristic, and I hope a useful one, of electing the president of the FRY, as well as of electing the former and present prime ministers. That approach might also be understood as a proposal for making a confederation out of the FRY, the president of which would not be elected at the level of the FRY, but at the level of the confederal units, depending on the turns or rights of those units.

That would not comply with the Constitution and, I believe, would sustain the attitudes of the political personalities and parties that uphold the proposal on removing the president, or withhold their say on the matter. Nevertheless, it seems that it is more important to perceive the possible consequences of endorsing the proposal, which would be quite negative in this moment, than to search for the real motives or goals behind it. Relieving the FRY president of his duty against the Constitution might eventually discredit both the Constitution itself and the important function of the state president that are the main factors of stability in the federation. It might also dangerously prolong the federal authorities' state of instability, and objectively slow down the process of the affirmation of the authority of the newborn federation. The consequences of endorsing such a proposal might also be further political disagreements and public polarizations. I hope that the proposers of this demand will become aware of the fact that the consequences of endorsing their proposal might encourage and politically strengthen those parts of the public and of the political forces that believe that Yugoslavia is not sustainable and that its existence is harmful and dangerous for some of its peoples and citizens," Marovic underlined.

Cosic Too Powerful

"The initiative for his removal for an ostensible violation of the Constitution aims at the actual prevention of transforming the great respect and influence that Cosic enjoys among the Serbian people and the international

public into the real power of the federal state," said Slobodan Rakitic, head of the Federal Assembly representatives of DEPOS.

Obviously, somebody still needs Cosic, although they are not very powerful. Attitudes to Cosic reveal attitudes to the federal state. The SPS is standing aside at present, apparently disinterestedly, withholding its opinion, and leaving all the dirty work in the republic and the federal states to the SRS. On the other hand, the SRS misrepresents itself as opposing the actual authorities by attacking Cosic and preparing for his removal when the ruling party will require it. The SRS is supporting the Federal Government and its platform temporarily, while warning what might happen to it if it is not obedient.

That party behaves as an arbiter in both the Republic and the Federal Assemblies. It plays the role of an opposition as there is no real opposition; the absence of DEPOS comes in very handy. Another question is, however, how the socialists themselves feel as hostages of the SRS, because they are not able to make any decisions—for which a two-third majority in the Assembly is needed. Of course, the socialists also find this useful. Before our public, and internationally, they represent themselves as democrats, in comparison with the extreme radicals—bearing in mind the old maxim that one should always choose the better of two evils. Time will show if that maxim applies in Cosic's case.

"It seems almost cynical that the SRS behaves as a protector of constitutional principles and a defender of the Constitution, using President Cosic to present itself as such. It is a force that, every now and then, violates the Constitution and takes away the little freedom and democracy we have struggled for, but represents itself as a defender of the Constitution. It is interesting that the superciliousness and arrogance of the socialist-radical coalition is reflected in its violating the Constitution whenever it needs to, while defending it when nobody actually endangers it," Rakitic said.

"I must admit that it is not completely clear why the radicals insist on Cosic's immediate removal. It might be understandable if Cosic had continued to play the role he played in Panic's time," said Srdjan Darmanovic, head of the Assembly representatives of the Socialist Party of Montenegro. "Then, despite his ambiguousness, he still supported the changes that would have eventually brought about a lifting of the sanctions and, in a way, stood behind the policy of giving way to the international community. It seemed that he even reconciled himself to the failure of the idea of 'the Union of Serbian States' (Greater Serbia), or at least to its postponement, bequeathing it to later political generations." Darmanovic added.

Conflict With Montenegro

Today, however, after Panic's defeat in the elections, the consolidation of the unofficial coalition SPS, and with the SRS on the throne, Cosic not only failed to offer his resignation, as he had promised, but also agreed to promote the function of state president and to defend the goals and policy of the winner, goals that he has always shared. If one only looks at some of his latest statements; that the leaders of Bosnian Serbs "cannot return to Bosnia" if they sign the peace plan, that Bosnia is a "freak-state," or his insistance on "just goals" while closing his eyes to horrible crimes, then one can see no basic differences between Cosic and Milosevic, Karadzic, or even Seselj, who is now demanding Cosic's resignation. If there are differences, they are of internal policy in that Cosic, apart from being a famous writer, has the best ear for democracy of all the aforementioned people. On the other hand, they are all bound together by the idea of creating a unique Serbian state, or at least such conditions that will make possible the implementation of that goal in years to come. Of course, any goal is legitimate as long as it is achieved in a peaceful manner. If it is based on crime, however, a man who identifies himself with it also identifies himself with everything that is done in the name of that goal.

"In view of this common guiding star, I see no reason other than political vanity for demanding Cosic's resignation at this moment. By vanity, I refer to Milosevic's trait of not forgetting criticism, much of which has come from Cosic. It is also possible that, by attacking Cosic, some people want to provoke conflict with Montenegro. It is known that the ruling DPS of Montenegro regards Cosic as a guarantee of Montenegro's equal position within the FRY. It is a strange attitude for a Montenegrin party, as Cosic insists on constitutional reform and claims that the present Constitution is too 'confederal,' despite his public recognition of Montenegro as a nation. Nevertheless, this theory does not really hold water because if the SPS and the radicals need a conflict with the DPS, or even with Montenegro, it can be initiated more effectively through a range of other issues," Darmanovic said.

"Cosic, the greatest Serbian national author, who was appointed president in order to try to justify us and return us to the international community, ought to be able to survive 10 objections from SRS representatives in the Federal Assembly. It would be good if the objections were submitted only by the radicals. We would see if there is somebody else behind the SRS," Momir Vojvodic, representative of the Montenegrin People's Party, said. "Despite being very angry with the Serbs, Europe accepted Cosic as president of the FRY and showed great respect. Therefore we must also pay him tribute and support his efforts to help our people and fatherland with a greater trust and respect, even if there are occasional mistakes," Vojvodic added.

The leader of the Serbian radicals believes that his move to remove Cosic will yield results, explaining that some representatives in the Federal Assembly are convinced that the state president has violated the most supreme law of the country. We have tried to illustrate the opinions of the representative groups in the Federal Assembly, but, in any case, they will show their true colors in the Assembly when debating the "Cosic case."

Unification of Serbian Republics Discussed

AU2704152893 Belgrade BORBA in Serbo-Croatian 23 Apr 93 p 4

[Interview with Slobodan Jarcevic, minister of foreign affairs of the republic of Serbian Krajina, by Snjezana Pokrajac-Stamatovic; place and date not given: "One State After Saturday"]

[Text] "Since events have shown that our enemies obviously do not want a peaceful solution, we have concluded that we are in mortal danger, and that defense is the most important thing at this moment. Survival is, in my opinion, the main reason for our unification. Our session in Okucani is the first step in this direction," Jarcevic commented on tomorrow's unification of the two assemblies (of the republic of Serbian Krajina and of the Serbian republic of Bosnia-Herzegovina), that is to say, on the "creation of a joint state."

Jarcevic pointed out that, after the session to be held tomorrow, the Serbs from Krajina and from Bosnia would practically live in one state and said, "The point is that one people lives in our two western Serbian states, which is divided by the AVNOJ [Anti Fascist Council of the People's Liberation of Yugoslavia] borders. This AVNOJ decision was not based on the law, Constitution, or on the international obligations of the then Yugoslavia. It is important to stress, and I think that newspapers have not published this fact, that our session in Okucani made all the borders defined by AVNOJ obsolete."

[Pokrajac-Stamatovic] In your opinion, the war dictated the unification. Can you give us details?

[Jarcevic] We do not have a single ally outside the former Yugoslavia, and in this difficult moment we must rely on each other. If someone intends to prevent the creation of a Serbian state west of the Drina River, he must be aware that by destroying one state he would automatically destroy the other. Imagine, for example, that Croatia defeats the republic of Serbian Krajina. This would mean that all those Serbs who survived would flee to the Serbian republic of Bosnia-Herzegovina or to the FRY. This territory would remain uninhabited because the Serbs living in the republic of Serbian Krajina cannot accept living in Croatia. If the Croatian Army occupied our borders and intersected the corridor to Serbia, we would not be able to survive. According to the other option—if the Croatian and Muslim armies, with the help of the international community, succeeded in thwarting the creation of the Serbian republic of Bosnia-Herzegovina, the republic of Serbian Krajina would become completely isolated and its existence would not be possible. By unification we shall have a state with a larger population in a larger area, which is very important from the strategic point of view.

[Pokrajac-Stamatovic] What will the joint state be like in your opinion?

[Jarcevic] This will be a joint state, but we shall discuss its organization later. The authorities will probably function separately at the beginning, but will cooperate and consult each other. For the purposes of defending our territory and uniting our military formations this is the best solution at present, but in future we shall also unite our economies, traffic, power-supply systems and other things. Everything will run parallel at the beginning; we shall have two state presidents, two prime ministers, two chairmen of the assembly. Their obligations will be, however, to cooperate and carry out joint programs. The joint assembly will function in such a way that both assemblies will send a certain number of delegates to it. Our assembly consisting of 27 communes will send three delegates from each commune.

[Pokrajac-Stamatovic] Who will the members of the delegation which will participate in negotiations with the international community be?

[Jarcevic] Since tomorrow we shall become a single state we shall have only one delegation at the peace talks. Our negotiators will probably condemn many things concerning the peace talks because they are dictated by the Vance plan in the republic of Serbian Krajina, and by the Vance-Owen plan in the Serbian republic of Bosnia-Herzegovina. These are two different plans and their authors must ask themselves to what extent they, themselves, have deviated from them. We and the Serbian republic of Bosnia-Herzegovina shall appoint one delegate each to participate in the peace talks.

[Pokrajac-Stamatovic] There are rumors that the present unification was initiated by Serbia.

[Jarcevic] I know that the world will blame Serbia for conducting our unification. This is simply not true. I have told you what our reasons for unification are. I hope that you remember that, three weeks ago, we initiated an all-Serbian assembly and a possible unification of all four Serbian states, but since this was not accepted by Serbia and Montenegro, only our unification was possible. We want to unify because we are in danger of the enemy. This unification was not dictated by Belgrade.

[Pokrajac-Stamatovic] What is your comment on some prognoses that this unification is just a first step toward an "all-Serbian integration" that is obviously not accepted by the present Serbian and Montenegrin leaderships?

[Jarcevic] The question of a unification of all Serbian states is superfluous. The conditions have not been fulfilled because our four states are in completely different situations. The Republic of Serbia and the Republic of Montenegro are independent states and they do not need to unify with us to defend their territories and their people. They are not endangered. We are grateful to both of these states for the financial and humanitarian aid we are receiving from them.

[Pokrajac-Stamatovic] You invited Presidents Cosic, Milosevic, and Bulatovic to tomorrow's session.

[Jarcevic] We have not received answers yet. Our invitations to the presidents of the Federal Republic of Yugoslavia, Serbia, and Montenegro have not been confirmed, but we still hope that somebody from Serbia and Montenegro will participate. We have considered holding this session in Bijeljina or Zvornik instead of in Bosanski Novi (Novi Grad) if important guests from Serbia come.

Status of Investigation of Ministerial Affair

93BA0932C Belgrade NIN in Serbo-Croatian 16 Apr 93 pp 28-29

[Article by Miroslav Vujovic and Dragana Trajkovic: "Third Man Being Sought?"]

[Text] Sava Vlajkovic, Serbian minister of trade and tourism in the government of Dr. Radoman Bozovic, is in pretrial custody reading the novels of "Mir-Jam." He is a subscriber at his own request to NIN, POLITIKA, and BORBA. He shares his cell with eight inmates of the Belgrade District Prison at No. 14 Bacvanska Street. He buys fruit and cigarettes from the mobile prison canteen. Anyone who wishes can send money to him at his present address. So far, he has not been physically mistreated, nor has Velimir Mihajlovic, the other Serbian minister arrested, who inherited Vlajkovic's portfolio in the cabinet of Nikola Sainovic, except that during a conversation in the Serbian SDB [State Security Service] police equipped with shackles [hekleri] escorted Mihajlovic to the toilet. Vlajkovic is under a doctor's care because of high blood pressure. Aside from his blood pressure, he complains of being cold. In accordance with prison rules, his wife visits him twice a month, and he also may receive two packages a month. Sava Vlajkovic's defense counsel visits his client without restriction. A guard is present during the conversations. Journalists are not allowed to meet and talk to the arrested ministers.

Since his arrest on 1 March, former Minister Vlajkovic has not admitted that he was involved in the shady dealing with which he is charged by the SDB and that he put the "minister's payoff" in his pocket.

"There are grounds for pretrial custody and conducting an investigation," says Toma Fila, Sava Vlajkovic's attorney, in an exclusive interview with NIN in which he revealed the details of the investigation so far and the testimony of witnesses unknown to the public. The key witnesses in the ministerial affair, Jugodrvo directors Gojko Zecar, Aleksandar Matijevic, and Dobrasin Ralevic—have been interrogated. Stojan Trojanoski, former Macedonian minister of trade, whose son is now a co-owner of the firm Profako in Skoplje, and Ljupco Stojkoski, owner of the firm Bujoto, did not appear before the investigating judge last week because in March State Security personnel in Belgrade mistreated Goce Dimeski, one of the witnesses, Toma Fila relates.

Bribe for the UNPROFOR [UN Protection Force]

"The 'ministerial can of worms' has become still more confused with the testimony of the witnesses. The depositions on the business operation of Jugodrvo, the firm that was importing petroleum through the embargo, differ. My client says that he was not getting a commission. Dobrasin Ralevic, general director of the company Jugodrvo, has said that on several occasions he passed money on to Vlajkovic and Mihajlovic in his firm's bags, but he does not know how much. It seems to him that it was about 2 million German marks [DM]. The famous bags were packed at Ralevic's request by Aleksandar Matijevic, director for foreign trade, and, according to Ralevic's instructions, after hours, so that the secretary would not see, he put them in the closet behind the general director's desk. Matijevic admits that on one occasion he packed DM300,000, on two occasions 200,000, and on another two occasions DM150,000. The figures, then, do not add up," Fila explained.

Gojko Zecar, chairman of the Board of Directors of Jugodrvo, also remembers the bags, but he does not know what was in them. According to his testimony, Fila relates, Dobrasin Ralevic arrived with a bag at the Rada Tavern on Vozdovac to have a drink with Vlajkovic and Mihajlovic. Zecar says that he did not know the contents of the bag, but he assumes that there was money in it. After Ralevic said "Let's go, ministers," he and the two ministers went off behind a curtain. The ministers with their briefcases, Ralevic with the bag. The ministers returned to the table with their briefcases full. Ralevic without the bag, explains Sava Vlajkovic's defense counsel.

It is unclear where Jugodrvo got the German marks for the "ministers' packages."

Flight From Budapest

"A liter of petroleum which Jugodrvo was importing cost half a mark. That included the actual price of the petroleum (34 pfennigs) and the bribe for the UNPROFOR and the Romanian ministers. Velimir Mihajlovic asked for the price to be raised to 70 pfennigs, and Ralevic was told, according to his testimony, that that difference was intended to meet 'the needs of the Serbian government,' above all for the secret purchase of weapons," says Toma Fila, Vlajkovic's defense counsel, who incidentally is president of the Serbian Bar and the Yugoslav Bar. He adds that Mihajlovic guaranteed that he would furnish Vlajkovic customers who would pay that price—Jugosecer and Beopetrol.

Because this was a deal in which no one believed anything anyone said, the petroleum had to be paid for no later than two days after it crossed the Yugoslav border. As soon as the petroleum entered our territory, the government of Serbia issued an order to the treasury of the National Bank of Yugoslavia [NBJ] to pay to Jugodrvo foreign exchange in payment of the imported petroleum. The dinar equivalent was quoted at the exchange rate required for payment of the government's

foreign exchange. Jugodrvo at the same time set the price in dinars paid by the principal Yugoslav customers—Jugosecer and Beopetrol—and used that money to pay the treasury of the NBJ for the foreign exchange it had received, and Jugodrvo kept the difference. The foreign exchange paid to the seller for the petroleum and the difference in the price which had to be "laundered" were paid into an account of Jugodrvo's firm abroad Imobiliari-Americana. "Money was carried out of the country five times. Once to Cyprus, twice to Budapest, and twice to Bucharest," Fila says, and he reveals that one of the visits to Budapest was almost disastrous for the four Jugodrvo employees responsible for the money's international trip. This team "played" as though according to the scenario of some Western crime film: The car carrying the money was always escorted by two other cars, one in front, one behind. "If they had not done that," Fila says, "it is almost certain that they would have been without their valuable luggage in Budapest. After all, when the Hungarian police, suspicious of this convoy, stopped the black car, the other two lit out for Yugoslavia at lightning speed." Because of this incident, the mission was quickly switched to a safer place, to Bucharest.

While Dobrasin Ralevic says that the money was "laundered" in Budapest, returned "laundered" to Belgrade, and paid to Vlajkovic and Mihajlovic, four "experts" of the Jugodrvo firm who carried the money over the border testify that they paid it into an account and returned to the country without the money.

Aleksandar Matijevic attempted to explain the origin of the foreign currency in Belgrade in terms of a sale of petroleum to Montenegrins. The Montenegrins allegedly paid for two trains of fuel in cash at 70 pfennigs per liter. And the marks were put in Jugodrvo's safe. That cash, Matijevic testified, was used to pay not only for the "needs of the government of Serbia," but it was sold at scalping prices and salaries were paid to the firm's employees. This statement, however, has been denied by Milo Djukanovic, Montenegrin prime minister, who says that Montenegro never paid Jugodrvo any German marks in cash.

"What is it that Montenegro did pay and in what money and where did the gasoline go if it was sold to Montenegro, and it was?" Toma Fila asks.

The key question is this: Who filled Jugodrvo's safe with whose money? This will presumably be answered by the audit of that firm's business, which began on Monday at the request of both the defense and prosecution.

Sainovic Also Accused

One can only guess what the court will find, but the combination of German marks and petroleum smells quite a bit of Master Jezda. It also coincides in time with his self-exile from Yugoslavia.

The only people who might explain where Jugodrvo got marks in Belgrade are no longer alive. Branimir Vukovic, manager of Jugodrvo's office in Budapest, was killed in a car accident in early March; a few days later, Radovan Nikolic, assistant general director of Jugodrvo for finance, was found dead on the steps of the building in which he lived. If they had not suffered a tragic end, they probably would have told about the handling of the accounts and subaccounts which all Jugodrvo's firms abroad (American Trading in Hungary, Furnituro-Americana in the United States, and Mobital in Trieste) had in Budapest. Then it perhaps would have been easier to learn what sum went to meet the "needs of the Serbian government."

"If Dobrasin Ralevic said that he assumes it was a matter of DM2 million, and Sava Vlajkovic and Velimir Mihajlovic are charged with receiving DM700,000 each from this deal, was there a third man?" Toma Fila asks.

Might it not be Dr. Radoman Bozovic? Bozovic has not been interrogated, there has only been a background interview with him. If Vlajkovic and Mihajlovic have been rightly charged, then the prime minister at the time cannot remain aloof. Incidentally, as Velimir Mihajlovic has explained (we have learned that he has charged both Bozovic and Sainovic), the system of "ministerial commission" was established in the form of a pyramid.

"Neither has Jan Kisgeci, Serbian minister of agriculture at the time, been interrogated. But without permission of the ministers holding those portfolios, Vlajkovic could not have obtained consent to any deal. It is irrefutable that Kisgeci even signed a blank permit; without his consent, Serbian corn could not have been bartered for Macedonian drugs either," Toma Fila says.

Had things gone further, had Bozovic's share in the "ministerial affair" been established and made public, probably a great deal of that would have been called into question. It is obvious that that is why they called a halt at the time with one former and one present minister. Is there not some indication of this in the fact that the former Serbian prime minister, who self-confidently declared that he would not have a successor in that office for at least the next 20 years, was nevertheless removed and transferred to the high-sounding, but not so influential post of president of the Citizens Chamber of the Yugoslav Assembly? Was that punishment?

Fear of the New Government

"When the fight on crime was being announced, it was said that it would be broad and would go high. It seemed that all three forms—ordinary crime with elements of violence, managerial or white-collar crime, and crime of government officials would be most strongly attacked. However, only the first segment has received the fiercest attack. The campaign has been weaker and weaker as it moved toward the more sophisticated crime," Fila remarks.

The uncontrolled outflow of food to the former fraternal republics in the West and to Macedonia is an open secret, but State Security has not concerned itself with

that, Fila observes, mentioning stories about involvement of certain people from the army and the federal agencies in such dealings. There has also been talk about the sending of humanitarian aid that was not monitored and was paid for with a Scorpion to Sava Vlajkovic and a pistol to Velimir Mihajlovic, about help from the MUP [Ministry of Internal Affairs] of the Serbian Republic [RS], which was also paid for.... But it all came to an end in Jugodrvo. In such a way that the managers of that firm figure only as witnesses. None of them has been charged with a crime for what, to say the least, is a strange way of expressing patriotism. "What kind of work to meet the needs of the government is done behind a curtain in a tavern?!" Fila remarks. Devotion to the government (in December, before the election, Ralevic warned Matijevic of the danger "that the new government will reproach us for what we did for the old") was displayed by delivering bags in Mihajlovic's house, in an apartment in Zarkovo, and in an automobile at Jugodrvo....

How many million marks went "for the Serbian cause" in this way is unknown to those who packed the money, to those who distributed it, and to those who counted it. The problems the managers of Jugodrvo have been having with their memories was evident last Friday when, so we have learned, Mileta Nedjo, director of Beopetrol, testified that Vlajkovic and Mihajlovic had nothing to do with that firm at all. He does not even know Vlajkovic, he knows Mihajlovic from certain other arrangements, and Dobrasin Ralevic offered the petroleum to Beopetrol directly. The scandal of the ministers is obviously far from being unraveled.

"Last year, no charges were filed in 94 percent of the criminal cases. In those 6 percent which went to trial, there were, of course, acquittals. The decisive nature of the campaign to combat crime initiated by the president of Serbia has been felt most by street dealers and petty smugglers. Illegal flows of capital have not been interrupted, although it is well-known that there is no crime without capital. The main blow ought to be on the tie-up between the 'white collars' and the government officials. That circle has not been closed," Toma Fila believes.

Have Sava Vlajkovic and Velimir Mihajlovic been sacrificed to deceive the public?

Correction to Albanians Killed in Border Incidents

LD2704172193

[Text] The following correction pertains to the item headlined "Seven Albanians Killed in Border Incidents," published in the 27 April East Europe DAILY REPORT, page 64:

First paragraph, first sentence make read: Eight citizens of Albania were killed... (changing number).

Serbia

Assembly Endorses Presidents' Letter to Bosnian Serbs

AU2804112393 Belgrade Radio Beograd Network in Serbo-Croatian 1100 GMT 28 Apr 93

[Text] The Serbian Assembly had adopted as its own declaration the letter that Presidents Dobrica Cosic, Slobodan Milosevic, and Momir Bulatovic recently sent to the Assembly of the Serbian Republic. The proposal, which came from a group of deputies from different parties, was endorsed by 116 deputies, while 62 were opposed to it, and two abstained.

Before the voting, the assembly was addressed by the heads of the party caucuses, who, with the exception of Tomislav Nikolic, head of the caucus of the Serbian Radical Party, expressed support for this proposal.

Draskovic: Bosnian Serbs Should Have Signed Plan

AU2704164793 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 27 Apr 93

[Text] Even though the news conference by Vuk Draskovic, chairman of the Serbian Renewal Movement, was to be on the promotion of his book *Noz [The Knife]* in France, the reporters were particularly interested in his views on the [Bosnian] Serbs' refusal to sign the Vance-Owen plan in Bijeljina. According to Draskovic, the plan should have been signed because all the reasons for that were there. Dragoljub Stankic reports.

[Stankic] Now it is important to act therapeutically on the consciousness of the citizens of Serbia and Montenegro, and the Serbian people in Bosnia and the krajinas, Draskovic said. We have to understand those people, since the powerful Belgrade propaganda machine has for several years now been leading them along non-Serbian tracks, as he put it. Radovan Karadzic should not be blamed for the fact that Serbia is now living in a cage, but rather the gentlemen who wrote the letter.

[Begin Draskovic recording] If it had been openly said what would be gained from signing the plan, and what would inevitably be lost by rejecting it, I am convinced that the decision in Bijeljina would have been different, and that Serbia today would not have had further sanctions imposed against it. [end recording]

[Stankic] According to Draskovic, it is important now to explain to the Serbs in Bosnia that the plan is not anti-Serbian, and that it should be accepted for all the right reasons. He believes that the Orthodox, the Catholics, and the Muslims can live together. New sanctions will only serve to strengthen the regime, and bring misery to the Serbian people and the Serbian opposition, Draskovic believes.

Milosevic Receives Wahlgren, Thornberry

LD2704164893 Belgrade TANJUG Domestic Service in Serbo-Croatian 1608 GMT 27 Apr 93

[Text] Belgrade, 27 Apr (TANJUG)—Serbian President Slobodan Milosevic today received General Lars Eric Wahlgren, UNPROFOR commander in former Yugoslavia, and Cedric Thornberry, head of civilian affairs of UNPROFOR in former Yugoslavia.

They exchanged views on the implementation of UNPROFOR tasks, particularly efforts to maintain peace in zones which are under the control of United Nations in line with the UN peace plan.

In the talks today Serbian President Slobodan Milosevic expressed his conviction that the UNPROFOR mandate in the republic of Serb Krajina should be renewed, because that is the best way for the peace process to continue.

Parties Say Sanctions May 'Strengthen Regime'

LD2704195993 Belgrade TANJUG in English 1746 GMT 27 Apr 93

[Text] Belgrade, April 27 (TANJUG)—A number of smaller non- parliamentary parties in Serbia said on Tuesday the toughening of U.N. sanctions against the Federal Republic of Yugoslavia, after the Bosnian Serbs refused to accept the whole of the Vance-Owen plan, might encourage undemocratic forces in the country.

Momcilo Trajkovic, the president of one of the two Social Democratic Parties (SDP), said the drastic U.N. measures, which took effect on Tuesday, would give strength to extremists in the F.R.Y. and among the Bosnian Serbs.

The world must understand that the ethnic conflict in Bosnia-Herzegovina cannot be resolved by ultimatums and by force and that undemocratic means could only fan the fighting, said Trajkovic.

The National Radical Party (NRS) said in a statement it did not expect the parliament of the Serb republic in Bosnia-Herzegovina to reject the Vance-Owen plan. However, it added, the NRS respected the sovereign will of the Serbian people in the former Yugoslav Republic.

The NRS said the toughening of sanctions against Serbia and Montenegro was inappropriate, and could trigger a popular revolt and indirectly strengthen the regime bearing in mind the information monopoly by the ruling parties in the Yugoslav Republics.

The Serbian Workers' Party (RPS) said every outside attack on the Bosnian Serbs would be regarded as an attack on the entire Serbian people. The Bosnian Serb Parliament is not guilty of rejecting the Vance-Owen plan because the people were until the last moment persuaded officially and unofficially that the plan should not be signed, the RPS added.

It was regretful that the fate of all Serbs was decided by several politicians and that the parliaments of the F.R.Y., Serbia and Montenegro did not define political strategy of the Serbian people.

The Communist League-Movement for Yugoslavia (SK-PJ) said the decision by the Bosnian Serb Parliament prolonged the ordeal of not only the Serbs, but also Croats and Moslems in Bosnia-Herzegovina. The nationalist leaderships of the three peoples, together with foreign factors, are the most responsible for the tragedy, the party added.

President of the non-party association "The White Rose" Radomir Smiljanic described the U.N. sanctions as racist because, he said, they were aimed against the whole Serbian people and helping extremist forces take power.

Smiljanic said Croatia was not sanctioned despite its open aggression on the Bosnian Moslems, while the F.R.Y. which had no troops in Bosnia-Herzegovina was severely sanctioned.

Niksic Iron Works Closed Due to Sanctions

LD2704163093 Belgrade TANJUG Domestic Service in Serbo-Croatian 1111 GMT 27 Apr 93

[Excerpt] Niksic, 27 Apr (TANJUG)—As a consequence of the latest UN sanctions, which made the procurement of raw materials and manufacturing components impossible, the Niksic iron works today switched off its steel casting furnaces, it was stated at a news conference today by director of the Niksic iron works, Vojin Djukanovic. [passage omitted]

Status of Dafiment Banka Investment in Simpo

93BA0903B Belgrade POLITIKA in Serbo-Croatian 2 Apr 93 p 9

[Article by S. Bogdanovic: "Seven Million Marks Invested in Simpo"]

[Text] According to recent reports from the south of Serbia, business arrangements between the big furniture factory there, Simpo, and Dafiment Banka have already begun to be implemented, but the opening of that bank's office in Vranje is still in question.

Not long ago, Dafina Milanovic's arrival in Vranje caused an uproar both among savings depositors and among business people. The former had been hoping that Dafiment Banka would soon be opening in Vranje and offering high rates of interest, while the latter were hoping that the bank's capital in the form of foreign exchange would be invested in joint business arrangements with firms there.

The crowd in front of the offices of Dafiment Banka, but also the mess in the media created in recent days were imposed by another question: Will the numerous arrangements and promises of this bank pan out? What

will happen to the plans of this banking institution in Vranje is a question asked most frequently by inhabitants of that city.

Capital Optimally Invested

"Talks have been conducted with Mrs. Milanovic about two business arrangements with Simpo. The first is investment of capital to build two factories, one for the production of solid furniture and the other for the production of elements of internal equipment, as well as a possible commitment of capital to Simpo's project for small family factories. At the moment, we are reaching agreement on those arrangements and drawing up projects, which means that realization still has not begun," Mr. Milan Nikolic, general director of Simpo, explained to us. "However, a joint venture in purchasing materials and goods for subsequent end-product production in Simpo's plant is already nearly completed; on two occasions, Dafiment Banka has invested its capital in this business in the total amount of 7 million German marks [DM]. The profit from this transaction will be divided 50:50, and I think that this is capital invested very optimally."

Simpo and Dafiment are negotiating about the construction of these factories, because, as Mr. Nikolic told us, "nothing specific has yet been signed, but there is no doubt that these are very profitable projects."

"And the entire development program of Simpo can actually be called profitable, so that I do not believe that Dafina Milanovic could find a more reliable partner in this region and a more suitable plan for investing capital than the one which Simpo has offered. I also emphasize that Mrs. Milanovic wanted to have the majority capital in a future joint venture," said Milan Nikolic, general director of Simpo.

The Joy of Savings Depositors Was Short-Lived

The destiny of Dafina Milanovic's other investment arrangement in Vranje is uncertain, because the practical steps were taken after her visit in this city only by the host, but not by Mrs. Milanovic as well. From what we learned in the Bureau for Urban Planning there, several of the most attractive locations in Vranje were offered to Mrs. Milanovic, such as the Lepa Brena Housing and Business Complex or the Post Office-Bank block in the very center of the city. The negotiations, however, began most seriously to be conducted concerning the building of the former Beobanka [Bank of Belgrade], and today the building which actually houses the Bureau for Urban Planning and the Fund for Construction Sites, on the corner of King Stefan Prvovencani and Lola Ribar Streets. Because the entire building has a useful area of 900 square meters to meet the needs of the future branch office, it would be necessary to vacate and adapt 140 square meters where the tellers' windows and several offices would be located.

In connection with this building, which belongs to the opstina, there were two versions "open": lease or sale? In a meeting of the Assembly, the decision was nevertheless made to sell the building.

As our correspondent in Vranje, M. Pesic, reports, the people of Vranje seem to have become joyful too early, convinced that they would be able to live more easily by putting their savings with Landlady Dafina and the money obtained in interest. But the price per square meter of that building was set at DM2,130, and the total amount which would have to be set aside for 140 square meters would be DM298,200. According to Mr. Caslav Ristic, vice president of the opstina Assembly, however, the opstina hoped for a much larger sum and was ready to turn over all 900 square meters to Dafiment. Then they could have hoped for the sum of no less than DM1,917,000. Dafina Milanovic was in fact informed about all this in a letter, but a reply arrived from Belgrade again in the form of a letter that Dafiment Banka was no longer interested in buying the building and opening its bank in Vranje.

Meanwhile, officials have already begun to slowly move out of the bank in question, seeking new locations for their desks in other buildings of the opstina Assembly. By the end of next week, this space of 140 square meters will be available and ready to be leased or sold, but it is still unclear to whom.

Drastic Transportation Reductions in Serbia

93BA0903D Belgrade POLITIKA in Serbo-Croatian 2 Apr 93 p 5

[Unattributed article: "Buses in the Garage, Biking to Work"]

[Text] Because of the fuel shortage, municipal and intercity transportation in Serbia has been cut back considerably. With the exception of Nis and to some extent Novi Sad, carriers have cut back the number of lines by at least half, and on many routes they have even eliminated all regular departures.

The situation is still more serious in municipal transportation. Thus, in Kragujevac buses are carrying only workers and schoolchildren during rush hour, while in Zajecar workers from nearby villages are commuting by bicycle.

Since adoption of the sanctions toward Yugoslavia, the transportation firm Nisekspres in Nis has gotten along well and mainly fulfilled its obligations in both municipal transportation, in Nis, and on a large number of intercity and express lines all over Yugoslavia.

"We had problems when the sanctions were introduced; however, we have managed to obtain fuel. There has been no real cutback in Nisekspres. Back last summer, we cut back the number of lines and buses by 20 percent, but since then there have been no reductions. That is the case even today. Our buses are maintaining service normally to Belgrade, Novi Sad, and Subotica, as well as

Leskovac and Vranje. Also to Pristina and Montenegro. In March, we even had an increase in the number of departures by about 3 percent, because new quantities of fuel were found in the meantime. In practical terms, since 4 March we have recorded a growth both in the number of lines and the number of departures, because the number of passengers has also increased. At the same time, in view of the situation on the railroad, by adding off-schedule departures in all directions, we have increased the number of buses on the weekend by all of 20 percent," we were told by Novica Zivadinovic, director of Ekspres.

In municipal transportation, there is a shortage of buses, but not because of the reduction of lines and departures, but because of the increased number of passengers. At Nisekspres, they say that the original 21-percent cut in municipal transportation is still in effect.

At Nisekspres, the only reduction in traffic has been recorded on the previously regular lines to Sarajevo and Tuzla. Because of the war there, transportation has been cut back 60 percent or more, we are informed by our correspondent, T. Todorovic.

The Private Operators Are Leading the Way in Kosmet

The shortage of petroleum products, we were told by Radovan Stamenkovic, technical director of the bus station in Pristina, has compelled many Kosmet carriers to cancel regular lines they have kept in service for more than 20 years.

Lab-Prevoz of Podujevo has for 20 days now had no service between Pristina and Podujevo, although there were 18 departures in the schedule.

The situation is similar with Djakovica-Prevoz, and carriers in Lipljan, Vucitrn, Obilic, Kosovska Mitrovica, Gnjilane, and other Kosmet towns are managing to "make two or three trips" instead of the earlier dozen departures.

By pooling what was left yesterday in the gas tanks of its buses, this morning Kosovotrans of Pristina managed to carry passengers to Leskovac and in the direction of Belgrade, and it postponed other regular departures. The situation is similar with Jug-Ekspres of Leskovac, Jedinstvo of Vranje, and Krusevac-Prevoz....

As of 1 April, Nisekspres will have bus service between Pristina and Ljubljana and other Slovenian cities, we were told by Stamenkovic.

Regular lines from Pristina to Ankara, Istanbul, and Sofia, on which service has been maintained by Kosovotrans of Pristina were given up more than a month ago, and that same firm goes to Munich only once a week.

Although the "government firms" are not maintaining service on regular lines, Kosmet highways are traveled every day by random travelers, but in private buses. These so-called pirate lines, according to Radovan Stamenkovic, are "wildcat" carriers and do not go to terminal platforms. They get passengers by picking up disgusted people waiting for any transportation that passes, they take them to the bus in the immediate vicinity, and collect a fare at their own discretion, which as a rule is incomparably more expensive, Stamenkovic says, adding that the competent agencies have had a hard time dealing with these self-styled carriers, writes our correspondent, M. Laketic.

After an almost two-week collapse of municipal transportation in Novi Sad, which occurred in midmonth because of the fuel shortage, now the traffic of municipal buses in the larger city of Vojvodina is increasingly regular. There are more and more regular departures from bus stops and less crowding than there has been until recently, and departures have even been doubled on certain lines at rush hour. On all lines in the city, especially in the morning hours, when people are going to work and in the afternoon when they are returning, bus transportation in Novi Sad, according to Vukica Cuk, is running at full capacity. On the lines with heaviest volume, such as the No. 7 line, at rush hour there are no fewer than 12 buses, and there also has been an increase in departures on lines where previously this was not the case, to Kovilj, Budisava, Futog, and other nearby suburban points.

Petroleum Being Purchased Even on the Black Market

Transportation by city buses has normalized because a regular supply of fuel has been reestablished. Naftagas-Promet is making daily deliveries of 10,000 liters of petroleum, and the city government has managed to furnish additional quantities of fuel necessary for regular transportation on almost all lines, reports our correspondent, M. Karadzic.

The only carrier in Kragujevac—the enterprise Autosaobracaj, has in the course of March reduced the number of city and suburban lines by 50 percent, and the situation is the same in intercity transportation. The reason for this situation is that this Kragujevac carrier did not receive in March even 20 percent of the amount of petroleum for buses that had been set by decision of the government of Serbia on the limited supply of fuel to highway carriers.

Because fuel cannot be obtained from Jugopetrol, which is the main and sole supplier in Kragujevac, to maintain 50 percent of the regular lines Autosaobracaj has been purchasing fuel even on the black market at double or triple the prices set in the government decision, reports our correspondent, Dj. Vranjesevic.

In the Zajecar region, there are incomparably more troubles in transportation than in agriculture. Only one bus departs from Zajecar for Belgrade (at 0515 hours) and returns (at 1545). The crowding in this one bus is unprecedented. There are even bus ticket scalpers who seek twice or three times that from people in trouble who really have to travel.

Those still in regular operation are only those carrying schoolchildren and going to the medical center, to the outskirts of the city, and some to a few of the larger villages of the 40 villages that exist in Zajecar Opstina. Workers from nearby villages are more and more frequently reaching Zajecar on their bikes, and sometimes they even start up their tractor to get to work, reports our correspondent, S. Todorovic.

[Box, p 5]

Belgrade: Less Frequent Departures

The shortage of fuel has caused highway carriers great trouble. Recently, the number of departures from the bus station in Belgrade was cut back from 520 to 440, and in addition at least 20 departures are dropped from the schedule every day.

At a time when it is difficult to obtain petroleum, the carriers cope in various ways, but in the end they are nevertheless compelled to cut back their regular trips. Thus, buses no longer leave the bus station for Cacak and other cities all over Serbia. The carriers have cut back departures, and now they are leaving every hour or two or three. Buses to the Knin Krajina and Serbian Republic are also departing less frequently because of the fuel shortage. Instead of daily departure to the Krajina, carriers have scheduled trips two or three times a week.

In spite of the daily changes in schedules, they say at the bus station that there has been no major crowding or problems and that all passengers, though they must wait a bit longer, nevertheless manage to get where they are going. Carriers which are kept in service in all directions all over Serbia, Yugoslavia, and the Krajina, say the officials at the Belgrade bus station, are covered, and that is how it is going to be in coming days in spite of the petroleum shortage.

The situation with fuel is no better in rail transportation. Because of the shortage of diesel fuel, trains to Kosovo and Metohija, Nis, Dimitrovgrad, and Banat and Backa are greatly reduced, and every day more than 100 trains are canceled. Recently, there have also been problems with electric-motor trains, for which there are no replacement parts, and there have been cutbacks on the suburban line Batajnica-Renik.

Karic Company Director on Secret of Success

93BA0903A Belgrade POLITIKA in Serbo-Croatian 3 Apr 93 p 18

[Interview with Ratko Calosevic, general director of the Karic Company, by Z.V.; place and date not given: "The Secret of Success of the First Multinational Private Company"]

[Text] For years now, the political chaos and chaos of war have held our country at the center of interest of the world media. For the first time since the famous scandal with the promissory notes of Agrokomerc, the attention of the international news media has been taken over by domestic financial scandals. The corruption scandals are putting us shoulder to shoulder with the Japanese political and "business" scene; the world's tabloids, with a considerable dose of irony, are describing flights from a country in which the institution of bankruptcy does not officially exist; satirical columnists are nominating us for the Guinness Book of Records not only because of the record rate of inflation, but also because of the astronomical rates of interest and foreign exchange, which make Wall Street bankers' heads swim.

In this insane business climate and political situation, it is very difficult to preserve even an appearance of constancy, while preservation of real stability in conduct of business seems almost impossible. However, even in these turbulent regions there are exceptions which go against the rules of their environment. The Karic Company is just now celebrating 30 years of successful performance. Our first large private company seems to have surmounted the problems of each period through which it has passed, including this present time of war and poverty. We talked to Mr. Ratko Calosevic, general director and chief executive officer of the Karic Company.

[Z.V.] Mr. Calosevic, what will the chapter titles be in some future monograph on the Karic Company?

[Calosevic] Or of some memoirs?! Well, the subtitles will certainly mention the year 1763, when the Karic family opened its first workshop in Kosovo; it will mention the first entrepreneurial steps of the present generation, when in the early sixties the Karices had their own orchestra and achieved their own "primitive accumulation of capital"; then there was that famous garage in which the Karic brothers, with their sister, their wives, and soon friends as well, began to manufacture machine parts and assemblies; then came the first large orders, new plants, the first export to the Soviet Union, representative offices and firms in the outside world, the first private bank in East Europe, recognition, plans running up to the year 2010....

[Z.V.] How will the Karic Company look in the year 2010?

[Calosevic] In coming decades, the Karic Company also has very clear directions in its own development as well as specific projects. I am referring to our capabilities expressed in terms of available capital, market space in the world that has been captured, the exceptional experience which the company has so far gained, and then there is also our readiness to commit ourselves to these undertakings. We think that in time everything will continue to go as we predict. You know, in this stage of development of a business system the unforeseen difficulties which may arise lose relative importance because they can make problems, but it is hard for them to shake the entire system. In the year 2010, we see our company as an important international name. We are convinced that our name will circulate in the business world and on our markets the same way that the names of Sony, Delta, and Prudential do now....

[Z.V.] Mr. Bogoljub Karic, president of your company and the youngest of the four Karic brothers, wrote in a sketch of Belgrade that as a schoolboy, when he visited the capital, he was delighted by its magnificent buildings, and he "never dreamt that all those beautiful edifices and stately buildings had also been built by newcomers...," prestigious merchants and private operators Misa Anastasijevic, Ilija Kolarac, Sima Igumanov Prizrenac...and that aside from a name, something else should also be left to the people behind great deeds.

[Calosevic] You are right. This generation of the Karic family will also leave more than a name. There will be factories—not a single plant of the Karic brothers, in Kosovo or anywhere else in the world, has been shut down either before or during the economic crisis; there will be 400,000 square meters of office and residential space; the first private college in this part of Europe; there will be spiritual buildings built all over Kosovo and the country; there will be memorials to crown a business success. But the buildings that remain will not be only in Pec or Belgrade. This is a cosmopolitan corporation, a part of this company will be built in Yakutsk, like the Orthodox Church which is being built on that frozen Siberian soil, and in Tokyo, Simferopol, Tashkent, London.... In Frankfurt, there will also be the inscription on a fountain.... You know, we all came from somewhere, we are all newcomers, and again everywhere is home to us. I myself came here from Slavonia. But those political borders and economic barriers will not exist tomorrow anyway.... However, more important than material wealth is the spiritual endowment, like the fact that so far not a single Albanian has left the plants of the Karic Company; that even in the moments of the deepest crisis the Karic brothers have not ceased to open new factories and new jobs; that the Karices have established the first private college in these parts and that they will have the first large private hospital in the country; that the name Karic in our and other latitudes has unceasingly and unhesitatingly spread the spirit of a patriarchal Orthodox family—a spirit that until recently had been deprecated and neglected, the idea of free enterprise and the philosophy of work and learning....

[Z.V.] Is there a cult of the family in the company?

[Calosevic] If you are thinking of a particular family, of the owners' family, then I must say that it exists only to an extent that is normal in a private company, but that is the "cult" of the owners, not of a family. This is necessary to the extent that every household must have a head, and every family a father. There is a need to know who is boss, who keeps order, but also who assumes part of the joint responsibility. However, there is a cult of the family in another sense: Traditional family values are nurtured here, here there is nothing shameful in everyone bringing in his relatives to be hired, something that would be awkward in some socialized firm—if, of course, that were done publicly...! Here employees can go on business trips with their wives, and meet business partners together with their wives, here collegiums—even those which are heated and bitter—may take place in someone's home, at Saturday lunch....

We think that that kind of cult of the family is necessary to our company, and our clients, partners, the savings depositors of our bank support us in this—judging at least by surveys we have conducted. You know, when someone puts his family name in the name of a company he also is exposing his family dignity, and his family property and everything else....

[Z.V.] Which is why savings depositors of the Karic Bank have greater confidence in that institution?

[Calosevic] The surveys clearly suggest that. Of course, there are other things as well.... How can you have equal confidence in a "bank" which has almost nothing except some minor registration and 16 square meters of rented office "space" and a bank which has sizable and visible property behind it and the organization itself and its owners? You see, this company acquired with great difficulty everything it now has on four continents: property nationalized in 1947, decades under the close eye of a socialized economy and those obedient to it, distrust on the part of the government bureaucracy, making its way on its own in the outside world, constantly learning new things and being expected to become a leader overnight, nights spent with various financial, federal, tax, opstina, and other inspectors.... And then someone else just appears, comes down from some Zeleni Venac, buys a used fax machine and chairs and—this is a bank, a firm, confidence—"a guarantor of security"!? Now, everyone is a financial expert, and we are supposedly ridiculous for continuing to believe that there is no profit that is not earned by the economy, and that interest rates which the economy cannot support are only soap bubbles. But all that will find is place.

[Z.V.] You head our first multinational private company. How is the Karic Company withstanding the business chaos and social chaos to whose symptoms you have been referring?

[Calosevic] Events on the domestic economic and financial scene are disturbing, surprising, often even tragic. For many events, there is our own "domestic" guilt in one form or another, while responsibility for certain other problems, like the sanctions and economic blockades, are nevertheless borne by others. However, you yourself said that our company is multinational in nature. All the problems to which you refer affect us only insofar as our capital and our business operations are still located here. Since the mid-seventies, our "field of operation" has mainly been the Soviet Union and East Europe, that is, Russia, Ukraine, Uzbekistan, Belarus, Kazakhstan, Hungary, Albania...are in our present political framework. At the beginning of the eighties, we already had our profit centers in Austria, Great Britain, France, Germany, Canada...and recently also in Beijing, Tokyo, and Hong Kong. It must nevertheless be admitted that the confused market of the Commonwealth of Independent States and the European east,

which is crying for new technology, new goods, and someone who will be able to understand its peculiarities, especially with respect to concluding a deal and collecting for it, remains the "center of events." Of course, certain of our company's activities are continuing to take place in Yugoslavia. Unfortunately, the adoption of the sanctions has left those activities separate from the entirety of our operations in the world, but still everyone, all the units, all the plants and firms are doing well. Perhaps our advantage in these difficult days is that we have something on which to rely. Now when the young Yugoslav market is shaken by the infantile diseases of liberalization, scandals, and problems, we can rely on more than 20 years of successful production, on a marketing network throughout the world, on dozens of joint ventures on four continents, and on our own banking and financial consortium. To that extent, you see, we are not affected by the chaos you mentioned-...although we would naturally like to see it go away....

[Z.V.] How is it that the Karic Bank, the first private bank in East Europe, never went into the business for which Yugoslav private banks have become well-known in the world—enormously high rates of interest on foreign exchange savings?

[Calosevic] Since its establishment, Karic Banka has been one of the most important pillars of the Karic system, but it never existed all by itself. Likewise, it was never left to itself, nor did it depend solely on the momentary situation on this chaotic market, when banks spring up like mushrooms and when they can flourish like some miraculous plant for a week, but also wither in the same time.

Karic Banka has its own foreign exchange savings, and it has its own foreign exchange savings depositors, although many banks offer for a month higher rates of interest than Karic Banka for a year. From the very outset, Karic Banka has offered its savings depositors domicile interest rates plus 2 or 3 points, depending on the currency. Thus, on German marks you deposit you will get 8.3 percent per annum, and no one in Germany will be horrified, envious, or confused that he cannot find for his savings in his own country, Germany, in some German bank of his own, such good conditions for a return as in far-off Yugoslavia.

I will not go into the way other banks are financing the astronomical rates of interest on foreign exchange. We are responsible to our customers: writers, artists in popular music, professional athletes, pensioners with hard-earned savings, families in which our savings passbooks have sometimes passed through three generations. These are groups and strata of people who value the fruits of their labor, and who are not ready for surprises and risks. You know, we offer our savings depositors an "unprecedented" thing. We tell them: "You can deposit your foreign exchange with us...and you can also withdraw it"!

Much the same is true with dinar interest. We are one of the rare banks, and certainly the only private bank, which has not become part of the foolish interest-rate race with savings depositors, because we know who usually gets the worst end of such skirmishes in the end. At a time when interest on savings climbs to over 200 percent, we still have our permanent savings depositors who are satisfied with rates below 100 percent. You know, events very quickly teach everyone who uses banking services. There will be more and more savings depositors who understand the old saying of American businessmen: "There is no free lunch"!

[Z.V.] Reveal the secret to us: How does Karic Company "make money"?

[Calosevic] There is no secret at all. You see, in every time there is someone who discovers the "secret of success" (some periods have virtual crowds of such people). Rarely, rarely does a new formula emerge for turning lead into gold, water into wine...the medieval museums are full of magic stones, which, however, brought no one fortune for long. We do not have secrets, we make use of "discoveries" which were known even to the builders of the pyramids. The philosophy is that sooner or later through the course of all the many transactions and business strategies—a commodity must emerge. The commodity is the only anchor we can hold on to with confidence. Of course, money is also a commodity, but in these parts it is a very imperfect commodity, with many defects, and it carries a great many risks. That is why pure currency operations here are very risky. We produce a commodity. we trade in it, we preserve it when we need a safe haven, we sell it and resell it quickly when speed is important. We sell the commodity even when in exchange we cannot get anything else except another commodity. Our people in Russia have built careers on that art. We are also building a "commodity"—we are designing it, we are letting a contract for its construction, and we deliver it on a "turnkey" basis. Sometimes the "key" costs as much as $80 million. We insure the commodity, we insure both people and events, but that is also a commodity, at least on paper. Up to the year 2010, which is the date to which the Karic Company has worked out the strategy of its development, our secrets, then, are very simple: production, engineering, international trade, production, international banking, insurance, production, production....

Macedonia

Republic Expects Sanctions To Damage Economy

AU2804121393 Belgrade NEDELJNA BORBA in Serbo-Croatian 24-25 Apr 93 p 9

[Report by Skopje correspondent Dragan Nikolic]

[Text] Lord David Owen, cochairman of the Geneva Conference on Yugoslavia, who held talks with Macedonian leaders the day before yesterday and yesterday spent half an hour at the Skopje airport where he also met with prominent Macedonian leaders, was given a complete study about catastrophic damages that will occur with the implementation of the latest Security Council resolution.

In a brief statement, Lord Owen said that the latest sanctions will "arrive on a level that has already been much disturbed because no agreement has so far been reached between Macedonia, Greece, and EC regarding neutralizing the negative effect of the sanctions on Macedonia."

Lord Owen said that for Macedonia, the latest sanctions "will be difficult and are going to cause much damage before the question of compensation is solved."

The Macedonian media are announcing that Resolution 820 is going to come into force on 26 April, although Lord Owen's mission as the "last chance" had not been concluded. The Macedonian economy will thereby face a fait accompli. Atanas Pavlevski, deputy director of the Skopje Steel Works, claims that on Monday a real catastrophe will begin for Macedonia. They will not be able to deliver products or receive raw materials and semimanufactured products.

According to Vojo Karanfilski, deputy director of the Skopje Ohis works, the entire chemical industry will find itself in a very difficult situation. However, the sanctions are going to have the worst impact on Macedonian Railroads. The volume of their work had already been reduced by 60 percent. These railroads are going to carry only domestic transport from Gevgelija to Tabanovci.

According to Doso Kotevski, vice president of the Chamber of Commerce of Macedonia, because it will have to detour Serbia, Macedonian road transport will be the most expensive in Europe. Instead of 5-6 percent as in the past, the cost of transport will amount to 30-40 percent of the price of a product. With such transport costs, Macedonian products will be completely uncompetitive. Petar Bezovski, director of the railroads, claims that the sanctions will not spare a single Macedonian producer.

The government has formed a special committee for the survey of damage and that committee will be informing the UN Committee for Sanctions about the consequences. The Macedonian Government has already requested that a mechanism for compensation be introduced, but there is little optimism in Skopje about that compensation being adequate or even less being timely.

Efforts To Comply With Sanctions Detailed

LD2704201693 Belgrade TANJUG Domestic Service in Serbo-Croatian 1847 GMT 27 Apr 93

[Text] Skopje, 27 Apr (TANJUG)—Authorities of the Former Yugoslav Republic of Macedonia are doing everything they can to rent a sufficient number of ferry boats to transport trucks from ports in Greece and from Durres to Rijeka [in Croatia] and Koper [in Slovenia], in the belief that thus they can alleviate damages from the ban on transit through the Federal Republic of Yugoslavia.

According to this evening's Skopje TV, reports from all border crossings with the FRY show that this former Yugoslav republic is among the first in the world to start enforcing the latest rigorous measures against the FRY.

There were lines several kilometers long at border crossings with the FRY yesterday, because many Yugoslav trucks and buses hurried to turn back. The picture is completely different today: only a few vehicles at border crossings. The Macedonian authorities are strict in not allowing any goods to cross into the FRY.

Bulgarian Consul Protests Press Release

AU2704195193 Sofia BTA in English 1906 GMT 27 Apr 93

[Correspondent Nikolay Koev report]

[Text] Skopje, April 27 (BTA)—Bulgaria's Consulate General in Skopje today reacted to the press release of Macedonia's Ministry of External Relations on yesterday's meeting of Deputy Minister Risto Nikovski with Bulgarian Consul General Angel Dimitrov. The press release was reproduced in today's Macedonian Press. "Bulgaria is surprised by the unilateral nature of the press release. It does not reflect accurately the conversation held and does not help clear up the problem which has arisen according to some reports in Macedonia. Such lopsidedness does not contribute at all to an end to the anti-Bulgarian propaganda in the state-controlled mass media of the Republic of Macedonia, a propaganda which qualifies the actions of the Bulgarian state authorities in an inadequate and inadmissible manner," the denial emphasizes.

According to today's Macedonian press reports, Bulgarian Consul General Angel Dimitrov was summoned to the Ministry of External Relations, where Deputy Minister Risto Nikovski allegedly voiced his "concern over the events related to the attempt to mark the death anniversary of Yane Sandanski." "Also condemned were the actions of the Bulgarian police, who manhandled citizens of the Republic of Macedonia who were present on the site of the event in a professional capacity. Also condemned were the forcible action against the members of the Macedonian national minority," the ministry says in its press release which is quoted in today's press.

On Saturday, April 24, the police prevented the outlawed Ilinden United Macedonian Organization from holding a commemorative rally at the grave of Yane Sandanski, a turn-of-the-century leader of the Internal Macedonian Revolutionary Organization, who was killed in the struggles for liberation of Macedonia from the Turkish yoke. On the same day, the BTA correspondent in Skopje reported that Macedonian Television devoted half of its newscast to the incident. A Macedonian lady journalist said on television that she had been roughed up by Bulgarian policemen.

The Bulgarian Consulate General emphasizes in its response that in the Republic of Bulgaria there is no legally registered organization called Ilinden United Macedonian Organization and that the group of citizens

who have assumed this name have not received permission for any public function. "It should be recalled that abidance by the laws and the directions of the official authorities is an obligation of the citizens of the respective state, as well as of any foreign citizen, all the more so if he is representative of a state institution," the Bulgarian denial reads.

The consul general of the Republic of Bulgaria Mr. Angel Dimitrov requested the assistance of the Ministry of External Relations for the provision of all documents on the Macedonian journalists' allegations. Concern was voiced over the sustained anti-Bulgarian tone of the mass media, whose publications in the last few days are a mere culmination of a steady policy line. "Obviously, in their view of Bulgaria certain quarters in the Republic of Macedonia have not shed the stereotypes instilled in now bygone times. It is precisely this approach that is targeted against bilateral relations between Bulgaria and the Macedonian State, in contrast to all gestures of good will and friendship which the Republic of Bulgaria has been making over the last few years."

Montenegro

Assembly of 'Serbian Nation' To Be Held 2 May

LD2804090493 Belgrade TANJUG Domestic Service in Serbo-Croatian 0025 GMT 28 Apr 93

[Text] Bileca, 28 Apr (TANJUG)—A Serb assembly under the symbolic name of "We Will Not Be Divided" will be held on Sunday, 2 May, in the village of Vilusi on the border between Montenegro and Herzegovina.

The assembly's organization committee has invited, in addition to the Serbian nation, all Serb parties in Montenegro and Herzegovina.

As the organizers expect, the assembly will elect a Serb National Council for Montenegro and Herzegovina and send an appeal to the Serbian nation to unite in the struggle against the enemy from wherever they come.

The Serbian nation will be addressed at the meeting by Branko Kostic, Vojislav Seselj, Veselin Djuretic, and others.

Status of Montenegrins in Yugoslav Army

93BA0896B Ljubljana DELO in Slovene 3 Apr 93 p 20

[Article by Branko Jokic: "Montenegrin Officers Not Wanted in the Federal Army"]

[Text] *They are cautious in Belgrade, since they still prefer to send regular soldiers to Kosovo and Sandzak.*

From our correspondent.

Podgorica, 2 Apr—There are very few officers of Montenegrin descent in the Yugoslav Army units in Montenegro, and there is allegedly not a single Montenegrin in the top positions. The opposition parties, which have been pointing out this "caution" on the part of Belgrade and its military leadership for some time now, claim that there is almost not a single barracks or a unit in the army or navy (which is still located along the Montenegrin coast) commanded by a Montenegrin officer.

It can be concluded from the recruitment data that otherwise there is also a negligibly small number of Montenegrins in the barracks here. The fact is that Montenegrins are mostly sent to Kosovo or Sandzak. The parents of these young men have already protested against this several times (unsuccessfully) to the local military authorities.

All of these things, and especially the latest ethnic purges among Yugoslav Army officers, which are also affecting Montenegrins to a considerable extent, have once again reawakened in Montenegro the idea of establishing its own army. The fact is that there is less of a possibility for anything like that, although it has been heard that the present Montenegrin authorities are "considering it," and that they are already prepared for certain measures that would lead in the end to having their own army appear as something "completely natural." To start with, the ruling DPS [Movement for Rights and Freedoms] prepared a proposal to amend the Federal Constitution, which is to be sent to the FRY parliament for proceedings in the near future. The content of that proposal is not known, but in all likelihood it will request that both sides state once again whether Montenegro and Serbia will live in a community and what form that community should take. It is to be expected that Montenegro will win more autonomy by peaceful means, but many people claim that the party in power is prepared to declare Montenegro an independent state "without bloodshed" and thus finally separate themselves from Milosevic's regime.

The main obstacle is the army, since it is expected to prevent any sort of "separatist" attempt by the Montenegrins. The civilian Pavle Bulatovic was probably appointed federal defense minister precisely so that they could continue to supervise Montenegrins vigilantly. As he himself states, Bulatovic does not have any experience with military matters, and it is interesting that he was insistently proposed for that position precisely by representatives of the Serbian authorities. According to the Podgorica weekly MONITOR, the matter is completely clear: Bulatovic, as defense minister, will take care of the military budget, and the General Staff of the Yugoslav Army will decide on military matters, as the only "authoritative and professional body." Bulatovic will only formally sign the decisions adopted elsewhere, and those who want Montenegro and the "Serbian sea" to remain within the so-called Yugoslavia at any cost have at the same time assigned him one more task—to sign a decree, as a Montenegrin, on a Yugoslav Army intervention in "Montenegrin unrest."

It is also interesting that Serbia still has a Defense Ministry, and Montenegrin Prime Minister Milo Djukanovic, for the time being, has not appointed a defense minister, and is performing that duty himself.